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Report
of the
Royal Commission
on
Metropolitan
Toronto



Detailed
Findings
and
Recommendations

The Royal Commission on Metropolitan Toronto

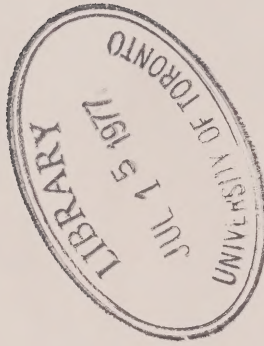
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Detailed Findings and Recommendations

Government
Publications

The Royal Commission on Metropolitan Toronto



Detailed Findings and Recommendations



Honourable John P. Robarts, P.C., C.C., Q.C.
Commissioner

June 1977

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Terms of Reference

Copy of an Order-in-Council approved by Her Honour the Lieutenant Governor, dated the 10th day of September, A.D. 1974.

Upon the recommendation of the Honourable the Premier, the Committee of Council advise that pursuant to the provisions of The Public Inquiries Act, a Commission be issued appointing

The Honourable John P. Robarts, Q.C.,
London

as Commissioner, designating him as The Royal Commission on Metropolitan Toronto empowered and instructed to:

- (I) Examine, evaluate and make appropriate recommendations on the structure, organization and operations of local government within the Metropolitan Toronto area, including all municipal governments, boards and commissions and without precluding the consideration of a single or two-tier form of government, to make specific reference to the following:
 - (a) the present anticipated future social and economic conditions including population and economic growth patterns, and the resource and service requirements of the municipalities;
 - (b) the appropriateness of the boundaries of the Metropolitan area municipalities, with particular reference to population pressures (e.g. growth, density, mobility and stability), community of interest, administrative effectiveness, socio-economic interdependencies and the geographic, demographic and institutional constraints existing within the study area;
 - (c) the appropriate division of responsibilities and functions and the arrangements among:
 - (i) the Province and the system of local government operating within the study area;
 - (ii) Metro and the area municipalities, including the possibility of the delegation of greater authority to the area municipalities;
 - (iii) Metro and the area municipalities and all local boards and commissions;
 - (d) the selection of the Chairman of the Council of Metropolitan Toronto, and the selection and roles of committee chairmen and their relationships to the members of municipal councils;
 - (e) the roles and functions of the heads of councils in the discharge of their responsibilities within the system of Metropolitan and local government;
 - (f) the organization of municipal councils and their committees, including

Executive Committees, other committees and Boards of Control, with particular reference to roles and systems of policy-making and implementation;

- (g) the system of administration and the relationship of the administrative organization to the municipal councils and committees of council in the development and implementation of policies in the Metropolitan area;
 - (h) the appropriate system of representation as it applies to local government in the Metropolitan area;
 - (i) the relationship between the members of municipal councils and the electorate and the residents of the Metro area, with specific regard for the requirements of responsive local government decision-making and the accountability of members of councils and their boards and commissions;
 - (j) the relationship between revenue and expenditures in Metro, the area municipalities in Metro, the area municipalities and special purpose bodies, including the adequacy of the revenues and the priority setting mechanism for expenditures;
 - (k) any other matter which the study commissioner considers relevant to local government in the Metropolitan area.
- (II) Undertake to encourage public awareness, participation and understanding of the issues, by among other things, holding public meetings throughout the Metro area and publishing the findings and recommendations of the study in sufficient quantity.

The Committee further advise that pursuant to the said Public Inquiries Act, the said Commissioner shall have the power of summoning any person and requiring him to give evidence on oath and to produce such documents and things as the Commissioner deems requisite for the full investigation of the matters into which he is appointed to examine.

And the Committee further advise that all Government ministries, boards, agencies and committees shall assist, to the fullest extent, the said Commissioner who, in order to carry out his duties and functions, shall have the power and authority to engage such staff, secretarial and otherwise, and technical advisers as he deems proper.

Certified,

J. J. YOUNG

Clerk, Executive Council



Glossary

Government Organization

Local government: the municipal organizations which exist at the sub-provincial level in Ontario, including both upper-tier and lower-tier municipalities, boards of education, boards of health, utility commissions, and similar bodies.

The Metro system: local government within Metropolitan Toronto.

Metropolitan Toronto or the Metropolitan area: the geographic area defined by the boundaries of the Municipality of Metropolitan Toronto.

Municipality of Metropolitan Toronto or Metropolitan Corporation: the corporate body directed by the Metropolitan Council as established by The Municipality of Metropolitan Toronto Act; does not include statutory special purpose bodies such as the Toronto Transit Commission, the Board of Commissioners of Police, or the Metropolitan Toronto School Board. These bodies are included in the term *the Metro level* or *the Metro or upper tier*.

Area municipalities, constituent municipalities, and local municipalities: collectively the City of Toronto and the boroughs of North York, Scarborough, Etobicoke, York, and East York, not including special purpose bodies such as boards of education, boards of health, or hydro and public utility commissions. These bodies are included in the terms *the area municipality level* or *tier*, or *the local* or *lower tier*.

Special purpose bodies or boards and commissions: organizations associated with local government that are created by specific legislation governing their composition, responsibilities, and their financial relationships with municipal councils. Examples include boards of education, library boards, and the Board of Commissioners of Police.

Executive body: a municipal council's board of control or executive committee.

Head of council: the mayor of an area municipality, or the Chairman of the Municipality of Metropolitan Toronto (also referred to as the *Metro Chairman*).

Councillor: a member of any municipal council including the head of council, controllers, and aldermen.

Civil service: the permanent paid staff of a municipality, special purpose body, or the Province of Ontario.

Provincial government: the Government of the Province of Ontario, which is also referred to as *the province*.

The Lieutenant-Governor-in-Council: the provincial cabinet.

Citizen participation or citizen involvement: any activity on the part of private citizens, individually or collectively, to express an opinion about or influence a government decision, or to exercise a legally delegated responsibility on behalf of a government. *Citizen participation programs* are activities of governments to encourage citizens to make such expressions of opinion, exert such influence, or exercise such authority.

Delegation: the power of an elected body to assign decision-making or administrative powers to individuals, groups, or organizations which are in turn accountable to that elected body for the use of such delegated powers.

Services

Human services: those which are intended to maintain or improve the economic, social, and personal well-being of the individual. They include health, education, social services, cultural programs, library services, and recreation.

Physical services: those which, while ultimately for the benefit of people, are part of the basic infrastructure of an urban area and installed in or on the ground. These services include water supply and sewerage, storm drainage, garbage collection, and the provision of transportation, electric power, gas and communication lines.

Planning: any effort on the part of a public body to understand and respond to key factors affecting its present and future operating environment and to prepare future courses of action in relation to those factors.

Land-use planning: the activities of a municipality in determining the public interest in the general scheme of land uses within the municipality, and those activities involved in applying such public interest to specific parts and parcels of land within the municipality through land-use controls such as official plans, zoning by-laws, and development control by-laws.

Toronto region: the area within the boundaries of the Municipality of Metropolitan Toronto and the regional municipalities of Durham, York, Peel, Halton, and Hamilton-Wentworth.

Finance

Property assessment or **assessment:** the value of a parcel of real property established by government for purposes of determining the amount of real property tax to be paid by the owner. **Market value assessment** refers to the assessment system now being implemented in Ontario, whereby the value of a property is established as the price which would be paid by an independent willing buyer to an independent willing seller at the time of assessment.

Population: the total population residing in the municipality at the time of the annual municipal enumeration, less those people resident in institutions and defence establishments.

Levy: the amount of money to be raised by property taxation for particular purposes. Such purposes include meeting a municipality's own needs, as well as meeting the annual payments exacted from an area municipality by bodies which by law are empowered to use the property tax to support their activities (for example, the Municipality of Metropolitan Toronto and the boards of education).

Mill rate: the proportion of real property assessment to be paid in tax by the property owner. Mill rates are established annually by the taxing municipality, and are expressed in dollars per thousand dollars of assessment. There are separate mill rates for the various entities for which the area municipalities collect taxes. The **education mill rate** refers to the proportion of assessment collected by municipalities to finance the local share of education costs which are levied on the

municipalities by the local and Metropolitan school boards. The *separate school mill rate* is applied by municipalities to property owners who have chosen to support the separate school system.

Conditional grants or *conditional transfer payments*: payments made by one government to another government or special purpose body to support a particular service or facility provided by the receiving body. Examples of conditional grants are community centre grants, public health grants, and transit grants.

Unconditional grants or *unconditional transfer payments*: intergovernmental payments which may be related to the general revenue needs of the receiving government body but the amount of which does not depend on the funds actually being applied to any particular purpose. Examples of unconditional grants are those made under the Property Tax Stabilization Program.

Capital expenditures: those which are made to construct or improve physical plant or to purchase equipment (for example, bridges, schools, or snowplows). Funds for capital expenditures are frequently raised by borrowing through debentures.

Current expenditures: those which support day-to-day operations (for example, salaries, wages, rents, and office supplies). Municipalities keep separate accounts for capital and current expenditures. The retirement of capital debt through payment of principal and interest on debentures is made out of current funds.

List of Recommendations

Chapter 4: The Recommended Approach

- 4.1 The two-tier form of local government in Metropolitan Toronto be continued.
- 4.2 Metropolitan Toronto continue to be made up of six area municipalities, subject to revisions in boundaries proposed in this report.
- 4.3 The constituent municipalities of Metropolitan Toronto be called the City of Toronto and the boroughs of North York, Scarborough, Etobicoke, York, and East York.
- 4.4 All distinctions between the powers and eligibility for grants of the City of Toronto and the boroughs be removed from provincial statutes and regulations.
- 4.5 A general review of the Metropolitan system be instituted in not less than five nor more than ten years.

Chapter 5: The Electoral System

- 5.1 The three-year term of municipal office be reinstated in Metropolitan Toronto for area municipal councils, Metro Council, and boards of education.
- 5.2 The implications for enumeration of a return to a three-year term of office in Metropolitan Toronto be studied in detail by a joint committee of provincial and municipal officials.
- 5.3 The date for municipal elections in Metropolitan Toronto be advanced to the second week in October, with councils assuming office exactly two weeks later.
- 5.4 The municipal fiscal year remain unchanged.
- 5.5 Municipalities and boards of education in Metropolitan Toronto be empowered to require candidates for office to file a statement of the amount and source of campaign contributions within a reasonable time after an election.
- 5.6 Where a municipality or school board has passed a by-law establishing a system of public disclosure of campaign contributions, it have the power to subsidize the campaign expenses of candidates to a limited degree, provided such candidates gain a fixed minimum percentage of the votes cast.
- 5.7 A deposit be required of all candidates for mayor in the municipalities of Metropolitan Toronto. Such deposit be payable to the municipal treasurer on nomination, and be returnable to all candidates who receive 10 per cent or more of the votes cast in the election.
- 5.8 The council of the Municipality of Metropolitan Toronto and those of the area municipalities be required to place the question of councillors' salaries on their agendas in June of each election year, with any changes to take effect at the beginning of the following fiscal year.
- 5.9 The ceiling on the remuneration to be paid to trustees imposed by section 164 of The Education Act no longer apply to the school boards in Metropolitan Toronto.

Remuneration levels for trustees be set by the boards themselves in the manner set out in Recommendation 5.8.

5.10 Responsibility for establishing levels of remuneration and allowances for the members of all local boards and commissions except school boards rest with the municipal council responsible for such bodies.

5.11 Directly elected positions for hydro and public utility commissions be eliminated where they exist in Metropolitan Toronto.

5.12 Directly elected boards of control be abolished in Metropolitan Toronto.

5.13 The mayors of the area municipalities continue to be elected at large within these municipalities and also be full members of the Metropolitan Council.

5.14 A single alderman and a single public school trustee be elected for each ward within the municipalities of Metropolitan Toronto.

5.15 Wards be similar in size throughout Metropolitan Toronto, and an objective of 26,200 population per ward ± 10 per cent be established.

5.16 Members of Metropolitan Council (other than local mayors) be elected directly from districts made up of groupings of three adjacent local wards.

5.17 Directly elected Metro councillors be full members of the councils of the area municipalities from which they are elected, except that they be precluded from membership on any executive or other local committee.

5.18 The Metropolitan Chairman be chosen from among the directly elected members of Metropolitan Council at the first meeting of the municipal term, and hold his positions on his local council and Metro Council and the chairmanship for the duration of that term.

5.19 The provisions establishing the composition of the Metropolitan Executive Committee be removed from The Municipality of Metropolitan Toronto Act.

5.20 Ward boundaries for boards of education be the same as those for area municipal councils. The present system of electing local and Metro separate school trustees be adapted to reflect the new municipal boundaries and ward boundaries.

5.21 The following recommendations of the Ministerial Commission on the Organization and Financing of the Elementary and Secondary School Systems in Metropolitan Toronto be implemented:

26. Each ward in an area board's jurisdiction be represented by one trustee.
27. A natural community or family of schools be, where feasible, the constituency from which the local trustee is elected.
42. The Metropolitan Toronto School Board continue to be composed of trustees who are members of area boards or representatives of the Metropolitan Toronto Separate School Board.

-
44. The composition of the Metropolitan Toronto School Board continue to be based as nearly as possible upon representation by population.
 45. An area board have one representative on the Metropolitan Toronto School Board per 100,000 population or major fraction thereof.
 46. Representatives from the area boards to the Metropolitan Toronto School Board be elected annually.

Chapter 6: Local Decision-Making and Administration

6.1 The legislation governing Metropolitan Toronto and its constituent municipalities be amended to provide general powers to legislate with respect to local affairs, so that within their areas of jurisdiction, councils may pass any by-law, so long as it does not conflict with provincial legislation.

6.2 All legislation pertaining to Metropolitan Toronto and its constituent municipalities be amended to remove as many of the highly detailed provisions as possible.

6.3 The councils of the Municipality of Metropolitan Toronto and its constituent municipalities be given a general power to delegate responsibility to persons or bodies within or outside the municipal organization, or to agencies of their own creation, subject to the following conditions:

- a) the councils accept ultimate political and financial responsibility for the actions of those to whom they delegate;
- b) the councils be precluded from establishing separate elective offices under The Municipal Elections Act for those to whom they delegate;
- c) the delegation of responsibility be renewed or retracted by each new council; and
- d) the exercise of the power of delegation be compatible with the principles of the rule of law and of natural justice.

6.4 Local governmental functions be the responsibilities of municipal councils. The statutory provisions for all special purpose bodies now operating within Metropolitan Toronto and its constituent municipalities, with the exception of boards of education, be removed and the authority of these bodies assigned to their respective councils.

6.5 The current statutory powers of mayors be retained.

6.6 The current statutory powers of the Metropolitan Chairman be retained.

6.7 The heads of councils be ex-officio chairmen of the executive bodies of councils.

6.8 The general power of delegation recommended for councils be interpreted as authorizing them to elect from among their members an executive committee, and any number of standing committees, and to delegate to them such responsibilities as the councils see fit.

Chapter 7: The Citizen and Local Government

7.1 Municipal councils in Metropolitan Toronto consider using the general power of delegation proposed in Recommendation 6.3 to experiment with various ways of involving citizens in the development of policy and the administration of services.

7.2 Municipal councils and school boards in Metropolitan Toronto review their public information policies to ensure that they facilitate citizen understanding of the local government system and its activities.

Chapter 8: Intergovernmental Relations

8.1 A Toronto Region Coordinating Agency be created by provincial legislation, with responsibility for facilitating the planning and development of the Toronto region and for providing such services and advice to the regional municipalities and the province as may be delegated to it by its participating governments.

8.2 Membership in the Toronto Region Coordinating Agency consist of representatives chosen by the councils of the regional municipalities in the Toronto region and Metropolitan Toronto, and the provincial minister designated with responsibility for the Toronto region.

8.3 The Toronto Region Coordinating Agency be empowered to examine and comment on the budgets and plans of the existing operating bodies of a regional nature, the Toronto Area Transit Operating Authority and the conservation authorities.

Chapter 9: Boundaries

9.1 The boundaries of the City of Toronto be the Humber River from Lake Ontario to St. Clair Avenue; St. Clair Avenue from the Humber River to Bathurst Street; Bathurst Street from St. Clair Avenue to Highway 401; Highway 401, Wilson Avenue, and York Mills Road from Bathurst Street to Bayview Avenue; Bayview and the Bayview Avenue Extension from York Mills Road to Danforth Avenue; Danforth Avenue from the Bayview Avenue Extension to Warden Avenue; and Warden Avenue from Danforth Avenue to Lake Ontario.

9.2 The boundaries of the Borough of North York be the Humber River from St. Clair Avenue to Steeles Avenue; Steeles Avenue from the Humber River to Warden Avenue; Warden Avenue from Steeles Avenue to Ellesmere Road; and Ellesmere Road, Parkwoods Village Drive, York Mills Road, Wilson Avenue, and Highway 401 from Warden Avenue to the Humber River.

9.3 The boundaries of the Borough of Scarborough be Warden Avenue from Lake Ontario to Steeles Avenue; Steeles Avenue from Warden Avenue to the western boundary of the Regional Municipality of Durham; and the western boundary of the Regional Municipality of Durham from Steeles Avenue to Lake Ontario.

9.4 The boundaries of the Borough of Etobicoke be the eastern boundary of the Regional Municipality of Peel from Lake Ontario to Steeles Avenue; Steeles Avenue from the eastern boundary of the Regional Municipality of Peel to the Humber River; and the Humber River from Steeles Avenue to Lake Ontario.

9.5 The boundaries of the Borough of York be the Humber River from St. Clair Avenue to Highway 401; Highway 401 from the Humber River to Bathurst Street; Bathurst Street from Highway 401 to St. Clair Avenue; and St. Clair Avenue from Bathurst Street to the Humber River.

9.6 The boundaries of the Borough of East York be the Bayview Avenue Extension and Bayview Avenue from Danforth Avenue to York Mills Road; York Mills Road, Parkwoods Village Drive and Ellesmere Road from Bayview Avenue to Warden Avenue; Warden Avenue from Ellesmere Road to Danforth Avenue; and Danforth Avenue from Warden Avenue to the Bayview Avenue Extension.

9.7 The transfers of population resulting from the proposed boundary changes be accompanied by a corresponding transfer of municipal employees, whose bargaining rights, salaries, and benefits should be protected as far as possible.

Chapter 10: Finance

10.1 The Ontario property tax credit be revised so that it covers the same proportion of property taxes paid by taxpayers of comparable income throughout Ontario.

10.2 Ontario's per capita grants program be reviewed to assess the feasibility of converting it to a per household basis and making it more responsive to the costs of the more populous regional and Metropolitan municipalities.

10.3 All conditional grants whose purpose is to provide an incentive to municipalities to provide services or facilities, with the exception of housing grants, be eliminated for municipalities in Metropolitan Toronto.

10.4 Existing intergovernmental grant programs as they apply to Metropolitan Toronto be replaced with three-year cost-sharing agreements for provincial and (where applicable) federal support of municipally administered programs for which there is a recognized financial responsibility on the part of the other levels of government. Such agreements be negotiated jointly by the provincial government and the municipalities in the Metro system.

10.5 The Ontario Municipal Board's function with regard to approval of capital projects of local authorities in Metropolitan Toronto be limited to ensuring that total borrowing by the authorities is known and within acceptable financial limits, is for capital purposes only, is for a term not longer than the life of the assets to be created, and conforms to clearly stated provincial policy concerning capital expenditures.

10.6 Responsibility for hearing and deciding on objections to municipal capital projects be transferred from the Ontario Municipal Board to municipal councils.

Procedures for consideration of municipal capital programs by councils include publication of the programs and the holding of formal hearings on them.

10.7 All provincial payments for local services except education be made to municipalities rather than directly to special purpose authorities.

10.8 All municipalities in Metropolitan Toronto be encouraged to develop a capacity for multi-year financial forecasting and planning.

10.9 Local authorities in Metropolitan Toronto examine the findings of the Commission's study, *The Organization of Administrative Support Services in Metropolitan Toronto*, and take appropriate cooperative action.

Chapter 11: Planning

11.1 Area municipalities in Metropolitan Toronto be given the primary responsibility for land-use planning within the framework of a Metropolitan plan.

11.2 An area municipality be required to notify all interested parties when it is considering passage or amendment of a planning by-law (i.e., an official plan, a zoning by-law, a development control by-law, or a subdivision agreement). Such parties, including private citizens and organizations, the Metropolitan Council and the provincial government, be notified again of the final passage of a planning by-law.

11.3 Planning by-laws passed by an area municipality acquire the force of law unless objected to by an interested party within a predetermined period of their final passage by council.

11.4 Objections made by the Metropolitan Council or the provincial government to a planning by-law passed by an area municipality be based on and confined to an apparent conflict with the stated plans and policies of the Metropolitan or provincial governments.

11.5 Objections made by private citizens and organizations to a planning by-law passed by an area municipality be based on and confined to an apparent failure of the municipality to follow appropriate procedures according to the rules of natural justice.

11.6 The Ontario Municipal Board be responsible for hearing objections to municipal planning by-laws. The Board's findings and recommendations as to the validity of these objections be reported to the Minister of Housing for a final decision.

11.7 Any interested party be entitled to initiate a hearing by the Ontario Municipal Board on the question of whether consideration by a municipality of an official plan amendment, zoning by-law, development control by-law, or plan of subdivision is being unduly delayed, and the Board be given power to order the municipality to expedite the processing of the proposal and to establish a deadline for its disposal by council.

11.8 Authority for the establishment of planning boards within municipalities in Metropolitan Toronto be removed from The Planning Act and transferred to the municipal councils, which should have the power to appoint such planning bodies as they deem necessary.

11.9 Authority to establish committees of adjustment for municipalities in Metropolitan Toronto be removed from The Planning Act and transferred to the municipal councils.

11.10 The responsibility for hearing and deciding on appeals of committee of adjustment decisions be transferred from the Ontario Municipal Board to the council which appoints the committee.

11.11 The Municipality of Metropolitan Toronto be required to adopt an official plan by 1 July 1978.

11.12 When a Metropolitan plan or amendment becomes official, all local plans and by-laws be amended to conform to it within a period of time to be set by Metro Council.

11.13 Where an area municipality fails to amend a by-law to conform to the Metro plan or amendment, Metro be empowered to initiate a hearing of the matter by the Ontario Municipal Board, and the Board be empowered to extend the time permitted by Metro or to order the amendment of the by-law forthwith.

11.14 The power of Metropolitan Council to pass zoning by-laws for lands within 150 feet of Metropolitan roads be abolished.

11.15 Metropolitan Toronto and the area municipalities be empowered to establish policies in their official plans concerning any matter within their legislative jurisdiction.

11.16 The Toronto Region Coordinating Agency be the forum for coordinating the planning policies of provincial and municipal governments as they affect the development of the Toronto region.

Chapter 12: Housing

12.1 The Toronto Region Coordinating Agency assess the housing requirements of the Toronto housing market and develop targets for market and low-income senior citizen and family housing; and the province ensure that responsibility for attaining these targets is shared equitably throughout the region.

12.2 The Metropolitan Council, in consultation with the area municipalities, be responsible for establishing housing targets as part of a comprehensive Metropolitan housing policy, and for the allocation of these targets among the area municipalities.

12.3 Metropolitan housing objectives be implemented through the planning powers of the Metropolitan Council.

12.4 The Metropolitan Council gradually assume responsibility for the existing housing stock of the Ontario Housing Corporation in Metropolitan Toronto.

12.5 The Metropolitan Council be responsible for the direct provision of all low-income family and senior citizen housing in Metropolitan Toronto, and delegate this responsibility to any area municipality willing and able to undertake it.

Chapter 13: Transportation

13.1 The responsibility for establishing arrangements for operating the transit system be vested in the Municipality of Metropolitan Toronto.

13.2 Transfers of responsibility for roads between the two tiers be accompanied by responsibility for repayment of any outstanding debt associated with such roads.

13.3 The Municipality of Metropolitan Toronto have the power to develop and establish a parking policy and to include it in its official plan. Such policy be limited to broad objectives for the provision of major parking facilities oriented to the transit system and policies concerning the price of public and commercial parking space.

13.4 The Metropolitan Council be empowered to regulate the rates of public and private off-street parking facilities as part of its general licensing power.

13.5 The Metropolitan Council have the responsibility for proposing changes in parking penalties to the area municipalities and the power to implement such changes if the area municipalities are unable to agree on appropriate changes.

13.6 Local government in Metropolitan Toronto be represented on the Toronto Harbour Commissioners by two representatives appointed by the City of Toronto and one representative appointed by the Municipality of Metropolitan Toronto.

13.7 The land-use authority of the Toronto Harbour Commissioners be limited to lands actually or potentially needed for port purposes, regardless of their ownership.

13.8 The municipal representatives on the Toronto Area Transit Operating Authority be chosen by their respective councils for a term coinciding with the term of office of the councils.

13.9 The Toronto Region Coordinating Agency be responsible for reviewing and commenting on the budgets and plans of the Toronto Area Transit Operating Authority prior to their submission to the Minister of Transportation and Communications.

Chapter 14: Physical Services

14.1 The Municipality of Metropolitan Toronto, as a participant in the Toronto Region Coordinating Agency, seek to ensure that the growth strategies in the

Toronto region are compatible with the capabilities of the physical services systems of Metropolitan Toronto.

14.2 The responsibility for securing sites for solid waste disposal be transferred from Metropolitan Toronto to the province.

14.3 The responsibilities of the Metropolitan Toronto and Region Conservation Authority be confined to flood control and water conservation; the development and management responsibility for lands with parks potential acquired by the Authority, including waterfront lands, be transferred to the regional and Metropolitan municipalities in which they are situated; and land acquisition, development and management for regional parks be carried out as proposed in Recommendation 20.2.

14.4 Subject to Recommendation 14.3, flood control and water conservation on the Petticoat, Duffin and Carruthers Creeks be undertaken by the Central Lake Ontario Conservation Authority.

14.5 The provision of electrical service remain an area municipal responsibility, and the councils be permitted to choose the structure through which such service will be provided.

Chapter 15: Public Protection Services

15.1 Subject to provincial standards and regulation, and accompanied by a general power to delegate, the Metropolitan Council be given the responsibility for policing in Metropolitan Toronto.

15.2 The responsibility for law enforcement and policing on the part of Lake Ontario within Metro's boundaries be assigned to the Metropolitan Police Department.

15.3 Policing the Port of Toronto and port-related activities remain a responsibility of the Toronto Harbour Commissioners.

15.4 The provincial grant for policing in Metro be negotiated on a three-year basis, and reflect the requirements of policing major metropolitan areas.

15.5 Fire protection services remain a responsibility of the area municipalities in Metropolitan Toronto.

15.6 A committee of fire chiefs be established as the forum to develop solutions to intermunicipal fire protection problems for consideration by the area municipal councils.

15.7 As part of the general provincial-municipal cost-sharing discussions recommended in chapter 10, the Metropolitan Council and the Minister of Health negotiate three-year cost-sharing agreements for ambulance services in Metro which recognize the same degree of provincial responsibility for ambulance services in Metro as is established for other large urban areas of the province.

15.8 The Metropolitan Council be assigned a general power to license trades and businesses in the interests of the community.

15.9 The mandatory provision for a Metropolitan Licensing Commission be removed from The Municipality of Metropolitan Toronto Act.

Chapter 16: The Human Services System

16.1 Metropolitan Council be given the responsibility for developing a human services policy for Metropolitan Toronto, and a mandate to encourage the coordination and rationalization of these services.

16.2 A joint human services policy advisory committee be established in Metropolitan Toronto comprised of representatives of the various major elements of the delivery system including the boards of education, the voluntary sector and the area municipalities, and this committee be responsible for making human services policy recommendations to Metro Council.

16.3 The Metropolitan Council be given the primary responsibility for allocating provincial funds to human services agencies in Metro other than the area municipalities.

16.4 The Municipality of Metropolitan Toronto monitor social research in Metropolitan Toronto and develop a social research strategy for the Metropolitan area.

Chapter 17: Education

17.1 The boundaries of area municipalities and area boards of education in Metropolitan Toronto continue to coincide.

17.2 The direct educational responsibilities of the Metropolitan Toronto School Board be transferred to the area boards of education, with provision made to ensure that no child is thereby denied access to appropriate educational services.

17.3 Beginning two years after the implementation of the recommended changes in municipal boundaries and in the electoral system, provincial legislative grants be paid directly to the area boards of education.

17.4 Following the establishment of a system of direct provincial grants to the area boards, the area boards gradually assume responsibility for raising the local revenues necessary for educational purposes and the Metro educational levy be reduced accordingly.

17.5 When Metro's capital requirements for education have stabilized, the responsibility for deciding on capital expenditures and for servicing debt be transferred to the area boards, and the Metropolitan Toronto School Board be replaced by a committee of board chairmen responsible for continuing cooperation and coordination among the area boards.

17.6 Health-related costs and services of the school system, including those for special education, be paid from municipal public health budgets.

17.7 The ceiling on the mill rate that may be charged by an area board to finance capital expenditures from current revenue be removed.

17.8 The collection of education taxes in Metropolitan Toronto continue to be the responsibility of the area municipalities.

Chapter 18: Health

18.1 Public health remain a responsibility of the area municipal level in Metropolitan Toronto.

18.2 The Metro Council be given a limited, coordinating and non-operational role in public health, and be authorized to provide central statistical or other analytical services at the request of the area municipal level.

18.3 Public health expenditures in Metro be eligible for provincial grant support at a rate equivalent to that given to district health units.

18.4 The responsibility for public health under The Public Health Act and other provincial statutes be transferred to the area municipal councils of Metropolitan Toronto.

18.5 The Metropolitan Council be designated as the District Health Council for Metropolitan Toronto.

Chapter 19: Social Services

19.1 The responsibility for the administration of assistance to Metro residents under The Family Benefits Act be transferred from the provincial government to local government in Metropolitan Toronto and integrated with general welfare assistance.

19.2 The provincial government review its social services legislation with a view to making it more consistent in its support for closely related services and broadening the scope of local government in service delivery.

19.3 The Metropolitan Council be responsible for the administration of general welfare assistance and family benefits within Metropolitan Toronto.

19.4 The present responsibilities of the Metropolitan Council for services ancillary to general welfare administration and family benefits be continued.

19.5 Responsibility for child welfare services, including the power to create, alter, or abolish children's aid societies, be vested in the Municipality of Metropolitan Toronto.

19.6 The Metropolitan Council be designated by the Minister of Community and Social Services as the local children's services committee for Metropolitan Toronto.

Chapter 20: Recreation, Libraries and Culture

20.1 The direct provision of public recreation services continue to be the exclusive responsibility of the area municipal councils, but the Metropolitan Council be empowered to make capital grants in support of the construction of major regional recreational facilities.

20.2 All lands with recreation potential acquired by the Metropolitan Toronto and Region Conservation Authority for water management purposes, including existing conservation areas and waterfront lands, be developed and managed by the regional or Metropolitan governments in which they are situated; capital improvements and further acquisitions of recreation areas continue to be eligible for provincial financial support; and the Toronto Region Coordinating Agency be the forum for developing an open-space policy and program of regional recreational land acquisition for the Toronto region.

20.3 The two-tier system for the provision of library services be retained for Metropolitan Toronto.

20.4 The statutory requirement for library boards, as it pertains to Metropolitan Toronto, be repealed and the responsibility for library services be vested in the municipal councils of Metropolitan Toronto.

The Electoral System

An effective electoral system is vital to democratic government. Voters must be able to exercise their prerogative to vote in a way that allows them to reward those who have served well and punish those who have not. Voting is, and should remain, the most direct and universal form of citizen participation in the governmental process. The more straightforward and easily understood the system is, the better chance it has of producing the kind of results that reflect the views and desires of most citizens. Although the Commission has been impressed with the results that have been achieved through the operation of the current fairly complex electoral system of the area, it is convinced that a simplification of that system will permit a higher level of political activity and a continued high quality of political representation.

Party Politics in Local Government

Any review of the electoral system would be incomplete if it did not take into consideration the question of the role of organized parties in the political and electoral process. There has been a continuing debate on this subject in the past ten years, and several experiments in introducing party organizations have been made in Metropolitan Toronto. Opinions expressed to the Commission were divided on the question of whether the electoral system should encourage or discourage the participation of political parties in local government in Metropolitan Toronto.

The absence of political parties is the primary distinction between the local electoral process and those of the federal and provincial levels. There are a number of reasons for this. There is a traditional but now outdated view that local politics involve administrative rather than political issues; partisan political activities are considered inappropriate at the local level if "there is only one right way to collect garbage." Local issues have not been seen to be amenable to ideological treatment or to require a consistent political philosophy to deal with them. Accordingly, local politics have not often attracted the interest of existing party organizations.

A more important reason for the absence of political parties locally is the structural differences between federal and provincial legislatures and local councils. The legislatures are based on the principle of responsible government, where the group forming the executive must maintain the confidence of the legislature or face an election. In contrast, the chief executive (the mayor) in a municipality is elected at large by the voters, and in some municipalities other members of the executive body are elected in the same manner to form a board of control. Municipal elections are held at fixed intervals, and there is no requirement that the mayor or executive group maintain the confidence of the legislature (council) as a whole in order to continue in office. Also, councils are smaller in size than legislatures, and personal relationships among councillors play an important role that often transcends ideology.

Thus the political systems at the federal and provincial levels encourage politicians to focus on achieving and retaining control of the assembly; it is from this control that executive power flows. There is a clear incentive for politicians to form parties to put together comprehensive programs, to organize electoral campaigns, and to maintain the discipline required to support a government. At the municipal level, control of council is not the factor which determines who has executive power, since the electors themselves choose the mayor and sometimes the other members of the executive body. In addition, the fragmentation and limitations of municipal power make it difficult for any group to develop a program and organize electoral campaigns in a coordinated way. The very nature of municipal government as it has existed in the past discourages party politics.

A number of submissions to the Commission suggested that the time is ripe for party politics to become a permanent feature of local government. They pointed out that local government is increasingly making important political decisions, and suggested that voters would be able to make more informed choices about which candidates are best able to make these decisions if parties existed to delineate different approaches to the issues. It was also claimed that a party system would increase accountability by enabling the voters to hold a party responsible for its record at election time.

A local party system cannot be legislated into existence. As was the case at the other levels of government, such a system, if desired by the electorate, will grow organically out of the political life of the jurisdiction as much as it will emanate from its structure. Nevertheless, the structure of local government can influence the development of party politics; it can encourage, inhibit, or be neutral.

Experience in the City of Winnipeg provides an illustration of this point. The original proposals of the Manitoba government's white paper for that city, although modified in their implementation in 1972, called for a large council headed by a mayor elected from among the councillors. The proposals were based on the assumption that such a system would encourage party politics, and indeed, a number of political groups have formed under the new system. More recently, the report of the Committee of Review of the City of Winnipeg Act again called for the election of the mayor by council and in addition proposed the establishment of the position of Chief Critic, elected by those who did not support the mayor. This person would, in effect, become the leader of the opposition.

The Commission is convinced that if parties were necessary for the operation of local government in Metropolitan Toronto, the traditional parties of the other two levels of government would inevitably dominate local political life. A major drawback of such a situation is the unavoidable confusion that would exist in the minds of the voters as to who is responsible for what. It would also lead to unnecessary complications in the relationships between municipalities and the federal and provincial levels of government. The Commission found this to be a severe problem in the United Kingdom, where the central government parties are fully involved in



local government. As a result local elections become referenda on the performance of the party in power at Westminster. The party system in Britain also tends to put a severe limitation on the independence of the local politician. He is expected to follow the party line rather than exercise his own, free, best judgment. In the Commission's view, this situation is a major obstacle to really effective local self-government in that country.

There appears to be little support for the development of a party system in Metropolitan Toronto among elected representatives or the voters at large. The Bureau of Municipal Research found an "overwhelmingly negative" response to the concept among the elected representatives and senior staff who were canvassed in connection with a study of public participation published in 1975. In the few instances where candidates for local office have used party labels, voters in Metropolitan Toronto have proven very reluctant to support them.

The Commission has taken account of the probable effect of its recommendations on the potential for the development of party politics in the Metro system. It is the Commission's objective that these proposals have a neutral effect on the future development of local parties. Political parties should be permitted to develop if the population wish it, but the system should be able to function effectively without them.

The Commission's Objectives and the Electoral System

The Commission's recommendations on the electoral system are intended to help attain the following objectives, as set out above in chapter 3:

Equality of representation: To the extent that it can, the formal structure should provide equal access for each citizen to his or her representative and ensure a similar degree of accountability of representatives to the people they serve. It can also help equalize the workload among representatives. This objective will be reached by the standardization of ward sizes in area municipalities throughout Metropolitan Toronto. For Metro Council, this objective will be pursued through the Commission's proposed system of direct election of the members of that body.

Greater equality in representativeness: Councils and school boards should reflect as fully as possible the diversity of social, economic, and cultural groups in Metropolitan Toronto. Steps to attain this objective include reducing the cost of running for office, rationalizing the way in which decisions on remuneration of councillors are taken, and removing the ceiling on remuneration for school trustees.

Clarity and accountability: The voters must be able to find out who is responsible for the performance of particular public services, and to express an opinion about such performance through the electoral process. This objective can be met by providing for direct election of Metro council and by reducing the total number of offices for which voters must make a choice through the abolition of two-member wards, elected boards of control, and elected utility commissions. These changes would be complemented by transferring ultimate authority for all local services to the elected bodies in the system.

Effective government: Elective positions must not be such that they involve an enormous workload or impose irreconcilable conflicts in loyalties on incumbents. Both these problems are evident in the present system. The extreme workload of some councillors can be reduced by requiring them to specialize in their interests through changes which would enable candidates to run explicitly for either Metro Council or a local council. This will also reduce somewhat the conflict in loyalties. In addition, enabling both Metro and local councils to choose their own executive bodies will permit them to avoid the stacking of both Metro and local executive responsibilities on a few individual councillors – a feature of the present system that distorts both loyalties and workloads.

The Commission's recommendations are based on these objectives and fall into four categories:

- general changes in the electoral system;
- selection of area municipality councils;
- selection of Metro Council; and
- selection of area municipal and Metro school boards.

General Changes in the Electoral System

The Term of Office

The Commission received considerable comment concerning the term of office of local councils, school boards, and special purpose bodies. There have been several changes in the term of local office in recent years in Ontario. In the early 1960s Metropolitan Toronto and most cities in Ontario had a two-year term of office, while the rural areas had the traditional one-year term. In 1967, as a result of a recommendation of the Goldenberg Royal Commission on Metropolitan Toronto, a three-year term was implemented for Metropolitan Toronto only. Two councils (1966–69 and 1969–72) were elected on the basis of this three-year term.

In 1971 the matter was considered by the Select Committee on Election Laws, which recommended a uniform two-year term for all municipalities except those that then had a three-year term (Metropolitan Toronto and the Regional Municipality of Ottawa-Carleton). But The Municipal Elections Act passed in 1972 established a uniform two-year term and election date for all municipalities in Ontario. The theory underlying the legislative provision of uniformity is that the public will pay more attention to local elections if they are held on the same day in every part of the province.

The passage of the Act has not stilled the debate about the appropriateness of the two-year term. A survey conducted by the Association of Municipalities of Ontario in 1975 showed that, while the councils of municipalities with less than fifty thousand population indicated general satisfaction with the two-year term, responses from municipalities of that size or larger were evenly split on the question.

Opinion within Metropolitan Toronto is more clear-cut. All of the municipalities within the system who submitted briefs to the Commission specifically requested a return to the three-year term, and the vast majority of individual councillors expressed the same opinion. Among ratepayer organizations and individuals, a few favoured retention of the two-year term, but most of those who commented on this question suggested a return to a longer term.

In the view of the Commission, arguments for a three-year term in Metropolitan Toronto are convincing. Metro and its constituent municipalities are large and complex organizations, and decision-making is a lengthy and complicated process. Given the hiatus in policy-making that exists in the months preceding and following a municipal election, the period in which initiatives can be planned and implemented is at present only about eighteen months. This is too short a time for a council to debate, set, and implement the sort of policies that are required by one of the largest-spending jurisdictions in Canada. Similarly, many school trustees have told the Commission that their responsibilities are extremely complex, that these cannot be fully understood in a two-year term, and that it is impossible to bring initiatives to fruition within this period.

Reinforcing the arguments for lengthening the term of office is the escalating cost of electioneering in Metropolitan Toronto. Frequent elections mean that local politics run the risk of becoming the preserve of those wealthy enough to pay out substantial sums of their own money to run for office every other year. While the Commission is proposing changes that would permit some public subsidization of local campaign costs, running for office will probably continue to require some personal financial sacrifice. A longer term of office would reduce the advantage of the wealthy.

The other partners in the political process are the electors. The Commission might be convinced of the value of the two-year term if there were evidence that the citizens wished to have frequent recourse to the ballot box to keep their representatives accountable. This greater opportunity for citizen influence was cited by provincial officials as one of the reasons for returning to a two-year term in 1972. Experience since then indicates that the citizens themselves may find the term too short to permit an adequate assessment of the performance of their elected representatives. The three elections since 1972 have shown a decline in voter turnout in Metropolitan Toronto, which may reflect a feeling that elections come too close together. In any case, few of the individuals and organizations presenting briefs to the Commission saw the short election term as an important tool of accountability.

The Commission recognizes that in many municipalities in Ontario the two-year term is working to the satisfaction of the elected and the electors. It does not see any reason why there cannot be a three-year term for Metropolitan Toronto and a two-year term elsewhere in Ontario where this is desirable. This is the pattern in Quebec, which has a four-year term in the major metropolitan areas and a two-year term in the rest of the province.

Recommendation 5.1: The three-year term of municipal office be reinstated in Metropolitan Toronto for area municipal councils, Metro Council, and boards of education.

This recommendation has important implications for the municipal enumeration system. Municipal enumeration is now carried out annually by the Assessment Division of the Ontario Ministry of Revenue. In addition to providing a preliminary list of voters for revision by the municipal clerks who conduct the election, the enumeration process also provides updated population counts for the calculation of provincial grants, information on school support preferences for each voter, information needed for apportionment of multiple-tenancy property for business tax and school tax purposes, and a list of candidates for jurors' lists. The municipal enumeration also assists in the updating of property assessment records and in the production of an assessment roll which is provided to the municipality at the end of each year for property taxation in the following year.

If enumeration were to continue to be done annually, there would be no difficulty in implementing a three-year term in Metropolitan Toronto while retaining the two-year term elsewhere in Ontario. But the Special Program Review¹ said in its 1975 report that substantial savings could be achieved if enumeration were carried out only every two years, in conjunction with the two-year term of municipal office now in effect throughout Ontario. The report noted that school board apportionments would have to be made biennially rather than annually under this arrangement; it is probable that much of the other information included in the enumeration would be rather seriously out of date toward the end of each two-year period. But the Special Program Review estimated that the possible savings were \$2.5 million every two years, and its recommendation was under active consideration by the province at the time the Commission's report was written. Therefore, the Commission gave consideration to the ways in which this proposal could be reconciled with the proposed return to a three-year term of office in Metropolitan Toronto.

In the Commission's view, the most feasible means of overcoming the difficulty is to transfer the municipal enumeration function to the area municipalities in Metropolitan Toronto, subject to the meeting of certain standards necessary to ensure province-wide compatibility of data. If this were done, enumeration would be in the hands of the municipal personnel who are responsible for other aspects of the local election process (as well as the taxation, apportionment, and related procedures). It might be made a requirement that the enumeration be carried out in Metropolitan Toronto at the same time as it is elsewhere in Ontario, as well as during a Metro election year under the three-year term. Alternatively, municipalities in Metro might well decide to retain the annual enumeration system as a means of keeping their own records current in view of the size and complexity of Metro's population (and the amounts of money involved in changes in school support, for example). Another option would be to establish a four-year term for Metropolitan Toronto. If this were done, the proposed biennial enumeration would be synchronized with municipal election years both in Metro and elsewhere in Ontario.

All of these possibilities are feasible, and the Commission is recommending that they be studied in detail. The main point is that a longer term of office is essential for sound, economic, and efficient political decision-making in the large governments that make up the Metropolitan Toronto system.

Recommendation 5.2: The implications for enumeration of a return to a three-year term of office in Metropolitan Toronto be studied in detail by a joint committee of provincial and municipal officials.

The Election Date

The future health of local democracy hinges on the elimination of obstacles to the exercise of the franchise by the electorate. During its public hearings the Commis-



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sion was asked to consider a change in the current statutory municipal election date in Ontario, if only as it applies in Metropolitan Toronto, because the present polling date is perceived to represent just such an obstacle.

The current municipal polling date in Ontario is the first Monday in December, and the new councils assume office on the second Monday in January. It was not always so. Earlier in this century the statutory date for municipal elections was the first Monday in January. Over the years various municipalities requested and received special legislation allowing them to have earlier polling dates, and in 1946 provision was included in The Municipal Act for municipalities to select polling dates between November 15 and January 2. Uniformity was again made mandatory in 1972 on the recommendation of the Select Committee on Election Laws. Under new legislation (The Municipal Elections Act) the current polling date was fixed for all Ontario municipalities. The Committee argued that uniformity in the election date would increase voter interest, and that the first Monday in December represented the best compromise between minimizing the period of time when the outgoing council's authority is limited and permitting an acceptable period of time for the changeover of responsibilities.

Ontario is now the only province in Canada where all municipal elections are held during the winter. The likelihood of inclement weather at the beginning of December in Metropolitan Toronto is higher than in the preceding fall months, or in the spring and summer. Cold, wintry weather combined with pre-Christmas activities may be a significant discouragement for many prospective voters. In addi-

tion, campaigning for elections can be difficult and uncomfortable at that time of year. Few federal and provincial elections are called during the winter months for these very reasons.

Severe snowstorms on polling day in 1972 and 1974 in the Metropolitan Toronto area appear to have reinforced the perception that December municipal elections adversely affect voter turnout. Among Ontario's municipalities, however, there is no consensus on an alternative polling date. A questionnaire on the subject prepared by the Association of Municipalities of Ontario in January 1975 and completed by more than four hundred Ontario municipalities showed that the smaller municipalities in the province (measured by population) clearly favoured retention of the current date, while the larger municipalities preferred an alternative date, either in October or November.

It has not been proved that inclement weather conditions actually affect voter turnout. However that may be, it is clear to the Commission that weather is certainly not the only factor. A publication of the Bureau of Municipal Research in 1976 concluded from a review of major research on the subject that the overall motivation to vote municipally is influenced less by the mechanics of the election itself (including the polling date) than by such factors as the general lack of understanding of local government and the public perception that local government is less important than other levels of government.

It is not a simple matter to advance the polling date to the fall months. The relationship of the polling date to the enumeration process, to the fiscal year, and to the statutory date of the assumption of office by councils and school boards must be considered. In the opinion of the Commission, however, none of these problems is insurmountable.

The traditional argument against advancing the municipal polling date has been that such a move would require the initiation of the enumeration process in the summer months, when Metro residents are frequently on vacation or away from their homes. In 1976 the joint Committee on Municipal Elections, comprising representatives of the Association of Municipalities of Ontario and the Association of Municipal Clerks and Treasurers of Ontario, concluded that advancement of enumeration into the summer months need not occur if the current pre-election procedures are streamlined, revised, and conducted in overlapping stages rather than consecutively. It also said that large municipalities, such as those in Metropolitan Toronto, would be particularly capable of carrying out the pre-election procedures in a shorter period. It takes only about ten days to enumerate Metro voters for a provincial election, and municipal enumeration need not take a great deal longer. Thus enumeration could be conducted in late August or early September for municipal elections in October.

Another possibility is to conduct the municipal enumeration in June, so that the voters' lists are prepared and posted by the end of August. Voters who were not enumerated would have time to notify the appropriate authorities and the revisions



could be made. Under such a schedule, the period between enumeration and a polling day in early October need be only marginally longer than the current three months.

Changing the election date to October would be accompanied by a change in the date on which the new council takes office. It would not, however, require a change in the municipal fiscal year. In the view of the Commission, it is necessary to ensure only that the end of the term of office coincides roughly with the fiscal year. The outgoing council should not have too long a period in office after the elections have taken place, since councils in this position are restricted by tradition and by law from taking many decisions which are essential to continued effective government. Simultaneously, an incoming council would have more scope to implement its programs if it were not faced with a financial framework whose broad outlines were drawn before it took office.

The planning of the major expenditure programs of local public bodies begins well in advance of the beginning of the fiscal year. Ongoing expenditure programs continue regardless of fiscal years or election dates in municipalities in the same way as continuity prevails at federal and provincial levels during elections.

In the present situation it is typical for budget discussions to continue into the new fiscal year, and final mill rates are often not struck until May. As a result, the

flexibility of councils in setting budgets is reduced because nearly half the money is spent before final budget allocations can be made. Provincial grant levels are a major element in this uncertainty, because these have usually been announced in the provincial budget in April, four months into the municipal fiscal year. Early announcement of provincial grant levels relieved this problem in 1976 for 1977. But with the present municipal election date, date of assumption of office, and fiscal year end it is inevitable that budgets and mill rates will not be established until well into the fiscal year that follows an election.

If the election date is changed to a time earlier in the autumn the opportunity will exist to improve the capability of councils and school boards to make an earlier start on their budgets than is now possible in election years. This could be accomplished by changing the date of assumption of office to two weeks after the new election date, and leaving the fiscal year unchanged. Thus the elected representatives could be in office, planning and budgeting for at least two months before the beginning of the fiscal year.

Successful experimentation with revised pre-electoral procedures can best be achieved on a selective basis rather than attempting province-wide change in one stroke. Metropolitan Toronto is an excellent area in which to experiment with new procedures and an earlier election date.

Recommendation 5.3: The date for municipal elections in Metropolitan Toronto be advanced to the second week in October, with councils assuming office exactly two weeks later.

Recommendation 5.4: The municipal fiscal year remain unchanged.

Campaign Expenses

The subject of election financing at all levels of government has recently received a good deal of attention. Campaign costs have been mounting with the increased use of radio and television and with rises in the costs of such items as postage, signs, and brochures. As a result, electors and elected people alike have become concerned that campaign financing be as open, as fair, and as broadly based as possible. This represents nothing more than a recognition of the importance and pervasiveness of modern government and the attendant need to ensure that the campaigns of candidates reflect general rather than specific interests in society.

Both the federal and Ontario governments have recently implemented reforms designed to broaden the basis of campaign financing. Political contributions to parties at these levels are deductible from income tax, and in Ontario there is a public subsidy system in which full accounting of campaign expenditures and revenue sources is required and supervised by the Ontario Commission on Election Contributions and Expenses.

Some municipalities have tried to cope with this issue. There have been attempts to implement a system of disclosure of contributions, and there have been efforts to reduce expenses for all candidates (for example, by attempting to ban election signs). These efforts have not been satisfactory because municipalities lack the statutory power to enforce rules on disclosure or the power to set binding rules designed to reduce the cost of campaigns for all candidates.

The Commission's staff study on political life in Metropolitan Toronto indicated that there was substantial variation in campaign costs among the municipalities in the 1974 elections, reflecting variations in the size of the municipalities, the degree of political controversy within them, and the size of the constituencies (including the number of positions for which election at large is required). Not surprisingly, the study found that election expenses are higher in the larger municipalities (especially those which face significant development issues), and that campaigns for controller or mayor are significantly more expensive than those for alderman. Although school trustees were not included in the study, experience indicates that their average campaign expenses are generally less than those for aldermanic positions in the same municipality.

The study also showed that while a number of councillors refused to accept campaign contributions at all, these were a distinct minority made up mostly of those who were running for aldermanic positions in the smaller boroughs. In the more expensive campaigns for mayor or controller, it was usual that more than 50 per cent of the funds were raised from contributions.

There is no particular virtue in accepting or refusing to accept campaign contributions, given that municipal campaigns have become as expensive as they clearly are. If contributions were banned, running for public office would be precluded for the many people who cannot afford to finance a campaign out of their own pockets, and the representativeness of elected bodies would be thereby reduced. If such contributions continue to be allowed, it is reasonable to make provision for enforced public disclosure of the amounts and sources of such contributions.

In this regard, the Commission is mindful of the differences in political tradition among the various municipalities within the federation, and it does not believe that a universal or compulsory system of public disclosure is required. Instead, it proposes that municipal councils have the power to pass by-laws requiring such disclosure if they see fit.

Recommendation 5.5: Municipalities and boards of education in Metropolitan Toronto be empowered to require candidates for office to file a statement of the amount and source of campaign contributions within a reasonable time after an election.

The other elected bodies in Metropolitan Toronto are the hydro or public utility commissions in North York, Scarborough, Etobicoke, and East York. Later in this

chapter, the Commission recommends that elected positions on these bodies be abolished and in chapter 6 it is proposed that the authority for all local governmental responsibilities be assigned directly to municipal councils. The effect of these recommendations is that the only elected positions in Metropolitan Toronto will be those for municipal councils and boards of education. As a result, there would be no need to extend to other bodies the power to require disclosure.

The Commission recognizes that the above recommendation will not deal with the escalating costs of seeking municipal office. A number of suggestions were made to the Commission with regard to this problem. These included permitting the deduction of municipal campaign contributions from personal income tax, and public subsidies of campaign expenses.

The Commission does not find that the extension of income tax deductions to municipal campaign contributions is the best way to ease the costs of running for office. While these campaigns are becoming more expensive in Metropolitan Toronto, they are not as expensive as campaigns at the federal and provincial levels and they therefore do not require the same formalized system of public support. Even if the deduction were desirable, an extensive bureaucracy would be required to administer such a system for local candidates. In the absence of political parties, individual candidates would have to set up systems for issuing receipts and reporting these to the federal Department of Revenue. Given the 210 elected positions now in existence in Metropolitan Toronto (including public and separate school boards there were 502 candidates in the 1976 election), an extensive system of checking would be required to prevent abuse.

The Commission thinks it preferable to give councils and other elected bodies the power to subsidize campaign costs to some degree. Such a subsidy would be a recognition that a healthy political process serves the interests of the municipality and its taxpayers, and would recognize that the costs of participation should not be borne by the candidate or his supporters alone. It would also provide a means of meeting some of the basic costs of a municipal campaign, thus giving a chance for municipal elected office to people of all income groups.

A subsidy system whereby municipalities were able to subsidize candidates up to a certain amount per voter would have the advantages of being related to the expected costs of reaching each voter and of permitting variations in subsidy with minor variations in ward sizes. If the system were implemented, three safeguards would be necessary. First, the enabling legislation should only permit the implementation of a subsidy in municipalities which have adopted a system of public disclosure as outlined in Recommendation 5.5, the principle being that disclosure is essential when public funds are being used. Second, the legislation should establish an appropriate maximum per-voter subsidy, to prevent election campaigns from being completely financed from the public purse. Finally, the subsidies should be payable only to those who gain an established minimum percentage of the votes cast, to prevent the abuse of the subsidy system by frivolous candidates.

Recommendation 5.6: Where a municipality or school board has passed a by-law establishing a system of public disclosure of campaign contributions, it have the power to subsidize the campaign expenses of candidates to a limited degree, provided such candidates gain a fixed minimum percentage of the votes cast.

Nomination Requirements

With one exception, the Commission finds no reason to recommend changes in the nomination requirements for candidates for municipal office. The exception is the office of mayor. Because of the high degree of publicity attached to this office and because of its symbolic importance, recent elections have featured a number of candidates for this position who can only be characterized as frivolous.

If the Commission's recommendations are accepted, the mayoralty will be the only office which is contested on a municipal-wide basis, and it is important to deter those who seek publicity more than office from becoming candidates for this important position.

It is easy to underestimate the potential seriousness of the present situation. For example, if there were one serious candidate for mayor in a Metro municipality and he were to die between nomination day and voting day, the election would proceed, with the result that a municipality larger than a number of provinces would be led by a person who had been a fringe candidate completely unrepresentative of any but a small segment of the population – and often one with no expectation or willingness to become mayor. While there are hazards of this type in any democratic system, it seems wise to make some modest provision to ensure that those who would run for mayor of a municipality in Metropolitan Toronto make some tangible demonstration of their seriousness.

Accordingly, the Commission has concluded that a deposit should be required of all candidates for mayor and that the deposit should be forfeited if the candidate fails to receive a relatively small proportion of the votes cast.

Recommendation 5.7: A deposit be required of all candidates for mayor in the municipalities of Metropolitan Toronto. Such deposit be payable to the municipal treasurer on nomination, and be returnable to all candidates who receive 10 per cent or more of the votes cast in the election.

Remuneration for Elected Representatives

The appropriate level of remuneration for elected representatives has been the subject of much debate at all levels of government in Canada recently. It is clear that the public are concerned about the possible abuse of the power of elected bodies to establish their own rate of pay for the public duties performed by their

members. Aware of this concern, elected bodies often postpone decisions on these questions until their remuneration is seriously out of line with the cost of living. When this point has been reached, they frequently approve large pay increases which, while bringing salaries into line with costs, lead to the sort of sensationalized publicity that sets off another round of controversy.

In Metropolitan Toronto the question of appropriate remuneration is complicated by the continuing debate about whether serving on a local council is a full-time or a part-time job. It is certain that many members of council and a number of school trustees do work full-time on their public responsibilities. But many of their colleagues pride themselves on being able to serve the public effectively by working part-time at politics while continuing their regular occupations. Many of these politicians hold that there is a positive value to this approach, in that they are able to remain independent of the remuneration they derive from their public offices. This, they say, enables them to take decisions which may be unpopular but in the broader public interest, since they can contemplate electoral defeat with more equanimity than can those who rely completely on politics for their livelihood.

There is considerable variation in Metropolitan Toronto in the extent of part-time political representation. The Commission's staff study on political life in this area showed that nearly all the members of the council of the City of Toronto work full-time at their political responsibilities. In the boroughs part-time aldermen are quite common, though controllers and mayors usually work at their positions on a full-time basis. The salaries paid to elected representatives in the various municipalities generally reflect these patterns.

A number of the councillors interviewed in the course of the staff study had suggestions for a new system of deciding upon the remuneration to be paid. Some suggested that they be paid on the basis of the number of people in their constituencies, while others thought it should be a provincial responsibility to set out salary scales related to the size of the municipality. Still others preferred that a Metro-wide body be established to set salary scales in all municipalities.

The Commission does not endorse these proposals. It believes that the responsibility for establishing salary scales for elected representatives should continue to rest with the councils themselves. Citizens are then in a position to judge whether the level of remuneration set by council is appropriate and to take suitable action at election time. If councils were required to consider the question of salaries on a regular basis, a more objective atmosphere would be established in which regular discussion of this difficult question would be permitted. The necessary adjustments would be smaller, and hence easier to make.

Recommendation 5.8: The council of the Municipality of Metropolitan Toronto and those of the area municipalities be required to place the question of councillors' salaries on their agendas in June of each election year, with any changes to take effect at the beginning of the following fiscal year.

A number of school trustees drew the attention of the Commission to the ceiling on trustees' salaries which is based on enrolment and established under section 164 of The Education Act. They questioned the appropriateness of the provincial government placing any limit on the salaries of members of any elected body. The Commission thinks that this provision should be discontinued for school boards in Metropolitan Toronto, and is confident that these boards would establish reasonable levels of remuneration if the ceiling were removed. Such a step would enable the remuneration to be set at a level commensurate with the duties of trustees of this large urban school system and encourage more people from all income levels to seek these positions. In addition, if higher levels of pay result, it should encourage trustees to devote more time to their responsibilities. The Metro educational system is large and complex, and more effective political representation can only enhance public accountability for the services and expenditures of the system.

Recommendation 5.9: The ceiling on the remuneration to be paid to trustees imposed by section 164 of The Education Act no longer apply to the school boards in Metropolitan Toronto. Remuneration levels for trustees be set by the boards themselves in the manner set out in Recommendation 5.8.

Section 391 of The Municipal Act stipulates that the salaries and other payments due to local boards (except planning, school, and library boards) may be set by these boards subject to the approval of the council concerned. In chapter 6 the Commission proposes the transfer to municipal councils of the authority for the provision of services now under the responsibility of such bodies and for the continuation or disbanding of these bodies as deemed expedient. In keeping with this closer relationship between boards and commissions and councils, the Commission concludes that these payments should be decided by the councils concerned.

Recommendation 5.10: Responsibility for establishing levels of remuneration and allowances for the members of all local boards and commissions except school boards rest with the municipal council responsible for such bodies.

One final matter concerning remuneration that needs comment is expense allowances. Under section 392 of The Municipal Act one-third of any remuneration paid to an elected member of a council, school board, or other local board is deemed to be for expenses related to the position. As a result, this portion of the remuneration is exempt from income tax.

It is clear that there are valid reasons for this provision, in that elected representatives have a number of expenses which are not part of other occupations. It is probably the simplest way to cover these expenses. But the provision does have disadvantages. The taxpayer does not understand the reason for the exemption, and at a time of concern about the costs of government and the level of taxation, he

may tend to resent this blanket exemption. It does little to convince the more sceptical taxpayer that his money is not being used to the personal advantage of politicians.

If the exemption were to be abolished it would be difficult to avoid doing so for other politicians at all levels of government in Canada and some other means of reimbursing elected members for their expenses would be required. This would probably involve a system of expense allowances claimable by vouchers, and the remuneration of representatives would have to be raised to compensate them for some of the additional taxation for which they would be liable. Such an arrangement would be more expensive and complex than the present system, and the Commission doubts that its costs would outweigh the benefits, most of which would accrue to the federal Receiver General.

The Commission has considered all sides of this question and recognizes the inadequacies of the present system of expense allowances for municipal councillors and other locally elected persons. It cannot, however, recommend a solution which would be a significant improvement over the present arrangement.

Selection of Area Municipality Councils

There is considerable variation in the composition of local councils in Metropolitan Toronto. For example, in three of the six area municipalities two aldermen are elected per ward, while in the other three only one alderman is elected per ward. Scarborough, North York, Etobicoke, and York each have directly elected boards of control, while the City of Toronto has an executive committee chosen by council and in East York the executive function is carried out by council itself. There is also significant variation in the population of wards per elected representative, as indicated in the following table:

Table 5.1: Population and Elected Representatives, 1974

Municipality	Average population per ward representative ¹	Average population per elected official ²
City of Toronto	31,011	29,663
North York	38,833	28,614
Scarborough	30,296	21,385
Etobicoke	28,812	19,207
York	17,550	12,764
East York	13,264	11,790

¹ Aldermen only

² Includes mayor, controllers, and aldermen

SOURCE: T. J. Plunkett, *The Electoral System for Metropolitan Toronto* (Toronto: The Royal Commission on Metropolitan Toronto, 1975), p. 44.

The Metropolitan Toronto area is increasingly integrated – economically, socially, and politically. The population is also highly mobile and individuals may move from one municipality to another at various stages in their lives. Given the present confusion in the mind of the voter concerning his system of local government, there is a need to ensure that he can easily understand the basic elements of the various parts of the single political system in whose jurisdiction he lives. In addition, all Metro residents should have roughly equal access to both local and Metro representatives. This requires consistency and clarity in the electoral systems of the constituent municipalities. Therefore the Commission has concluded that some changes in the composition of local councils are necessary to ensure fair and equal representation on both local and Metro councils for all residents of the Metropolitan area. These changes are:

- abolition of directly elected positions for hydro and public utility commissions;
- abolition of directly elected executive bodies;
- single-member wards; and
- equalized ward populations.

Hydro and Public Utility Commissions

In North York, Etobicoke, and East York, municipality-wide elections are held to choose those who, along with the mayor, will constitute the local hydro commissions. Members of the public utilities commission in Scarborough, which distributes both electric power and water, are also chosen by direct election. These arrangements have their roots in the time when the development of electric power and water distribution systems was an important local government priority and it was considered necessary that local electors have a direct role in selecting the key personnel to undertake these tasks.

These distribution systems are now almost fully developed in Metropolitan Toronto, and the commissions are concerned with routine administration of the retail delivery of these services.* Little discretion can be exercised by these bodies because the wholesale rates are set by Ontario Hydro in the case of power and Metro in the case of water. As a result, there is little need or opportunity for the resolution of policy differences that would require a continuation of elections for these bodies, and this is reflected in the relatively high acclamation rate for these positions in recent years.

Where elections for utility commissions are held, they result in a substantially longer ballot and a corresponding reduction in the clarity of the electoral system

* Further discussion of these services is contained in chapter 14.

from the viewpoint of the voter. The Commission concludes that elimination of these elected positions would simplify the electoral system in these four municipalities without jeopardizing the effective administration of these important local services.

Recommendation 5.11: Directly elected positions for hydro and public utility commissions be eliminated where they exist in Metropolitan Toronto.

Boards of Control

Four of the six area municipalities have boards of control that are directly elected at large within the municipality. These boards constitute the executive body of council and have the responsibility for preparing the budget, awarding contracts, and supervising the municipal staff. The system stems from the municipal reform movement which flourished in the United States at the turn of the century and has roots in the American tradition of the separate election of people for executive and legislative functions. Boards of control were thought to reduce the possibility of municipal corruption by ensuring that the most graft-prone functions were dealt with by a small group of politicians who were directly responsible to the electorate at large.

Although it has disappeared elsewhere in North America, the board of control persists in The Municipal Act of Ontario. Where regional governments were established, however, most boards of control were abolished. As a result, outside of Metropolitan Toronto only the cities of Ottawa, Hamilton, and London still have these bodies.

The system does have advantages. It combines in one council the area-wide perspective of controllers with the local perspective of aldermen. It also provides a form of direct election to Metro Council, although few voters are aware that they are choosing some of their Metro councillors when they vote for controllers in North York, Scarborough, Etobicoke, and York. It establishes clearly identifiable executive positions for which the elector has a direct choice. In addition, the board of control, possessing the same electoral power base as the mayor, may act as a check on the latter and can serve to train future candidates for the mayoralty.

The Commission concludes, however, that this system is no longer in keeping with the requirements of the municipal governments in Metropolitan Toronto. The Commission's reasons for recommending the abolition of boards of control are based on the need for effective decision-making and the need for greater clarity and accountability in the electoral system. The inappropriateness of boards of control from the point of view of decision-making is outlined in chapter 6; this chapter is confined to dealing with the relationship between the board of control structure and the electoral system.

One of the main reasons for citizen apathy concerning municipal elections is the long and confusing ballot confronting voters in the polling booth. The position of controller requires an additional two to four voter decisions to be made on the



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ballot. Since seats on the board of control are normally contested rather than filled by acclamation, there are usually four to eight candidates for controller on the ballot, few of whom may be known to individual electors.

Area-wide campaigns are extremely expensive compared to ward campaigns. Candidates for board of control must campaign across an entire municipality, and must therefore rely heavily on contributions for their election expenses; it is probable that this reliance will increase in the future if boards of control are perpetuated. This tends to heighten the citizen concern about campaign contributions discussed above, and it reduces access to public office for those unable to take the financial risks of an expensive campaign.

For these reasons and for others outlined in the next chapter, the Commission has decided to recommend the abolition of boards of control.

Recommendation 5.12: Directly elected boards of control be abolished in Metropolitan Toronto.

Election of the Mayor

Many of the disadvantages of boards of control also apply to the position of mayor as it is currently constituted. In this case, however, there are decisive countervailing

advantages to continuing the direct election of the mayor by the electorate at large.

First, there is wide public recognition that the person holding the position of mayor is the head of the municipality and its chief spokesman, and interest among voters is often highest for a mayoralty contest. A close competition for mayor usually results in a relatively high voter turnout in municipal elections. It is probable, therefore, that an attempt to have the mayor chosen by council rather than elected at large would be resisted by many people who want to continue to have a voice in the choice of the chief executive officer of the municipality. It would also have a detrimental effect on voter participation.

Another factor that must be considered is the effectiveness of the mayors in representing the interests of the area municipalities on Metro Council. In the Commission's view, the presence on this body of local mayors with a strong electoral base will assist the area municipalities in sustaining their identity and autonomy in the many areas of shared jurisdiction in the Metro system.

Recommendation 5.13: The mayors of the area municipalities continue to be elected at large within these municipalities and also be full members of the Metropolitan Council.

Election of Aldermen

The Commission was told in its hearings that the existence of two-alderman wards in Toronto, Etobicoke, and East York adds confusion to the voter's mind concerning the electoral process. Also, it frequently results in bickering and destructive competition between elected representatives who try to outdo each other in pleasing the same constituents. The result is often not better service to the constituents, but duplication. In the City of Toronto, this competition is intensified by the provision that the alderman winning the most votes in a ward becomes a member of Metro Council and is eligible for the City Executive Committee.

Recommendation 5.14: A single alderman and a single public school trustee be elected for each ward within the municipalities of Metropolitan Toronto.

The elimination of two-member wards is necessary if equalization of ward populations across Metro is to be achieved with a minimum of disruption. The factors to be balanced in establishing the appropriate ward size are the need to provide for wards which are small enough to permit an effective relationship between the alderman or trustee and the electorate, and the need to keep local councils at a workable size. While a number of briefs to the Commission suggested that ward sizes should be reduced significantly to as low as 10,000 population, the Commission does not believe this is necessary to permit an effective service relationship between the citizen and his elected representative. There does not seem to be

widespread dissatisfaction with existing average levels of representation in the four largest municipalities in Metropolitan Toronto, which vary from 29,000 to 39,000 per ward representative. The average population per elected official (including the mayor and controllers) is lower, however, ranging from 19,000 to 30,000. Given the Commission's recommendation that boards of control be abolished, it is reasonable to establish an average ward population in the middle of this range.* The Commission therefore suggests that a standard ward population of about 26,000 would ensure accountability without increasing the size of the local councils beyond a reasonable and functional level. In order that historic or natural boundaries may be recognized, and to allow reasonable flexibility, municipalities should be permitted a 10 per cent variation from this population in their wards.

Using this general target of 26,000 for ward population and the revised area municipality boundaries recommended in chapter 9, the Commission carried out a computer calculation to determine the average ward size that would allow for the implementation of its proposal for the system of direct election to Metro Council outlined below. These calculations revealed that an average ward population of 26,200 would be the best basis for the standardization of local ward boundaries throughout the area.

Recommendation 5.15: Wards be similar in size throughout Metropolitan Toronto, and an objective of 26,200 population per ward ± 10 per cent be established.

Ward boundaries are now set by the Ontario Municipal Board following an application for change from a municipality. The Commission believes this is the appropriate procedure for establishing the new ward boundaries which would result from the above recommendation, and it is confident that both the municipalities and the Ontario Municipal Board would show due regard for existing neighbourhoods and communities of interest in establishing such boundaries. In addition, as noted below, the needs of the educational system will have to be taken into account in drawing ward boundaries.

Selection of the Metropolitan Council

One of the most important, and indeed difficult, issues facing the Commission is the question of how people are selected to sit on the Council of Metropolitan Toronto. The major issue in this regard is whether any or all of the members should be

* The Commission considered whether ward sizes should be based on the number of people or on the number of voters. Equalization of the number of voters in each ward is fairer with regard to the cost and energy required to win election. Once elected, however, the alderman is expected to serve and represent all the residents in the ward, whether they are voters or not. Therefore, the Commission finds that population is a more equitable measure of workload for councillors and access for citizens than voting population.



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chosen by direct election, or whether they should all continue to sit on Council because of their positions and support on area municipal councils.

At present Metro councillors (with the sole exception of the Chairman) are all people who are first elected to the councils of the area municipalities. One result of this arrangement is that Metro councillors are seldom able to devote more than a small proportion of their time and attention to Metro matters. This is because of the common perception that it is on their performance as local councillors that representatives gain and maintain electoral support. In those frequent instances where Metro councillors also hold executive responsibilities on the local councils, the problem is made worse. Controllers or members of the executive committee of an area municipality just do not have the time available to devote to Metro matters that is necessary if the latter are to receive attention appropriate to their importance.

The result is that there is a general perception, borne out in many of the submissions made to the Commission, that decision-making at Metro is a remote

process, untouched by and untouchable for the average citizen. It is apparently a common view that the Metro Chairman and the Metro bureaucracy have inordinately large powers to direct and control policy and executive decisions. These reservations about the existing system are bound to be reinforced when, as is now the case, the electors are not able to vote directly on the performance of their representative on the Metro Council.

If the recommendations of this Commission are implemented, the direct responsibilities of Metro Council will be increased. Hence it is of even greater importance that Metro Council be made more directly accountable than at present for the manner in which it discharges its responsibilities. Simultaneously it will be even more important that members of the Council be free to devote to their Metro responsibilities a sufficiently large portion of their time and energies to ensure that those responsibilities are satisfactorily discharged.

For the above reasons the Commission concludes that provision must be made for direct election of at least a significant number of the members of Metro Council. At the same time, the Commission recognizes the need to try to maintain those features of the existing system that encourage close cooperation between the two levels and avoid competition and duplication that would be both expensive and distracting. It is desirable that Metro Council continue to reflect local interests and be sensitive to the special needs of the area municipalities.

The Commission proposes that Metro Council be composed of the mayors of the area municipalities plus a number of directly elected councillors. The directly elected councillors should each represent a constituency of approximately 79,000 people. Since the wards for these offices should be coterminous with those of aldermen elected for the area municipalities under the revised municipal boundaries, each Metro councillor would have an electoral district equal to three aldermanic wards. With the average local ward population mentioned above, such Metro wards would average 78,600 population. It is recognized that this is an ideal to be sought rather than an ironclad rule, and it will be necessary to make adjustments in the implementation of this proposal. This arrangement will, in the opinion of the Commission, create electoral districts of a size neither too large for campaigning nor too populous for adequate representation and access. By maintaining coterminality in Metro/local ward boundaries a certain confusion for both voters and candidates is avoided and administrative difficulty is minimized. Finally, using an average of 78,600 population for Metro wards will result in a Metro Council of thirty-three members, a useful reduction from the current membership of thirty-seven (plus the Chairman).

The Commission recommends that the mayors of the area municipalities be automatically full members of the Metro Council. This will ensure that the area municipalities have an effective voice at Metro and that coordination between the two levels is facilitated. For similar reasons it is suggested that the directly elected members of Metro Council be automatically members of the councils of the area

municipalities in which they are elected. This will ensure that they have an awareness of the people, problems, and priorities involved in the local municipalities and can in turn provide a voice for Metro within the councils of those municipalities.

To give the directly elected members sufficient time to devote to their Metro duties, and to ensure that their priority attention stays with the level to which they are elected, the Commission recommends that the directly elected Metro councillors not be eligible for positions on the executive or other committees of their area municipalities. Indeed, these members should not be permitted to receive any remuneration from their area municipality other than that which they receive as ordinary members of its council.

The proposals regarding composition of Metro Council are summarized in the following recommendations:

Recommendation 5.16: Members of Metropolitan Council (other than local mayors) be elected directly from districts made up of groupings of three adjacent local wards.

Recommendation 5.17: Directly elected Metro councillors be full members of the councils of the area municipalities from which they are elected, except that they be precluded from membership on any executive or other local committee.

The implementation of these recommendations and those concerning local ward size and local boards of control will result in the Metro and local council representation set out in Table 5.2. Included in that table is a calculation of the relationship between the population of each area municipality and its representation on the Metropolitan Council.

It will be noted that the Commission's recommendations will result in significantly larger councils in several of the area municipalities. This will probably require some procedural reorganization to enable these councils to do their work efficiently. Recommendations made in chapter 6 will give municipalities greater flexibility in making these changes by reducing the burden of administrative detail that now tends to prevent councils from concentrating on matters of policy.

The Metropolitan Chairman

The position of Metropolitan Chairman, its role and responsibilities, received more comment in briefs to the Commission than did any other single topic. While no one suggested that the power of the Chairman has ever been used improperly, there is widespread concern about the influence wielded by him. Because he is the only full-time Metro councillor, and because there is an expert staff available to him by

Table 5.2: Proposed Local and Metro Council Membership under Proposed Municipal Boundaries*

Area municipality	1976 population	No. of Metro wards	Average Metro ward population	No. of local wards	Average local ward population	Local council size including mayor		Metro reps. including mayors as % of Metro Council	% of population
						Present	Proposed†		
Toronto	672,500	8	84,063	24	28,021	23	33	27	31
North York	418,187	5	83,637	15	27,879	19	21	18	19
Scarborough	304,997	4	76,249	12	25,416	17	17	15	14
Etobicoke	293,464	4	73,366	12	24,455	15	17	15	14
York	221,722	3	73,907	9	24,636	11	13	12	10
East York	243,409	3	81,136	9	27,045	9	13	12	11

Metropolitan Council (including mayors): 33 members
Overall average Metro ward: 78,726
Overall average local ward: 26,242

* See chapter 9

† Includes directly elected Metro councillors

virtue of his position, the fact that the Chairman is not directly accountable to any electorate other than Metro Council makes many people uneasy.

The Commission believes that the direct election of members of Metro Council suggested in the previous section will go a long way toward introducing counter-vailing influences on the Metropolitan Chairman's authority. Nevertheless, other improvements can be made to ensure that the Chairman is subject to regular electoral accountability.

At present the Metropolitan Chairman is chosen by the Metropolitan Council either from among its members, or from outside. He is elected at the first meeting of Metro Council in each municipal term and holds office for the duration of that term. The Commission suggests that this arrangement be continued, but that it be mandatory that the Chairman be a member of Metro Council when nominated and that he be required to retain a directly elected Metro seat while in office.

Under the present arrangements for selecting Metro Council members, the above arrangement would probably be onerous for the incumbent, since most members of Metro Council have time-consuming responsibilities at the local level. But under the arrangements proposed in the previous section, a directly elected Metro Council member will not have these local responsibilities, and it should be possible for him to fulfill his duties as an elected representative and those of Chairman as well. In addition, it would not be expected that the Chairman be a full participant in local council proceedings.

There may occasionally be allegations that the Chairman is biased in favour of

the local council of which he is a member, but the Commission is confident that the presence of active Metro councillors will prevent the Chairman from behaving in this way. Certainly the present arrangement at federal and provincial levels in which the leader of the government also represents a local constituency does not often give rise to allegations of this type.

Recommendation 5.18: The Metropolitan Chairman be chosen from among the directly elected members of Metropolitan Council at the first meeting of the municipal term, and hold his positions on his local council and Metro Council and the chairmanship for the duration of that term.

The Metropolitan Executive Committee

At present the membership of the Metropolitan Executive Committee is set out in The Municipality of Metropolitan Toronto Act. Members are chosen by virtue of their local executive position, by the size of their electoral victory, or as a result of a vote by their local council. These provisions ensure that each municipality has at least one representative on the Executive Committee and that there is a degree of representation by population on it. They are based on the theory that the most senior politicians in the system should form the Metro Executive Committee, a theory that makes intolerable demands on the time and energy of the individuals involved.

In chapter 6 changes are proposed to enable Metro Council to decide itself how its executive functions will be organized. In chapter 9 boundary changes that would partially equalize the population of the area municipalities are recommended. In view of these recommendations, the Commission thinks it inappropriate for the membership of the Metropolitan Executive Committee to be specified by statute.

Recommendation 5.19: The provisions establishing the composition of the Metropolitan Executive Committee be removed from The Municipality of Metropolitan Toronto Act.

Selection of Boards of Education

Chapter 17 contains the Commission's recommendations on the structure of educational government for Metropolitan Toronto. But since boards of education and municipalities share the same electoral system, it is necessary to comment briefly here on the selection of school trustees for area boards of education and the Metropolitan Toronto School Board.

In its 1974 report the Ministerial Commission on the Organization and Financing of the Elementary and Secondary School Systems in Metropolitan Toronto (Lowes Commission) devoted considerable attention to the electoral system for boards of education in Metropolitan Toronto. That commission took the view that existing ward boundaries and area municipality boundaries did not provide the most appropriate electoral base for the selection of school trustees. It recommended that ward boundaries be based on families of schools and that school board boundaries should not necessarily coincide with the boundaries of the area municipalities.

The present Commission does not share those views. There is merit in retaining the clarity of the present system, in which the taxpayer can easily understand the geographic jurisdiction and service areas of boards of education and municipalities because they are the same. In addition, the shared use of facilities and services among municipalities, library systems, and boards of education has increased dramatically in recent years to the benefit of all, and these arrangements are much easier to make if the jurisdiction of each body is the same. Finally, the introduction of wards for trustees that do not coincide with local aldermanic wards would result in confusion for the elector and greatly increased costs and complexities for the municipalities which now administer elections for both offices.

Ideally, boundaries and other structural arrangements should suit both the educational system and municipal government equally well. The Commission's proposals for changes to the electoral system and to local boundaries provide an unusual opportunity to reorganize ward systems with a view to meeting the needs of boards of education, municipalities, and the communities they serve. In particular, the concepts of natural communities and families of schools, proposed by the Lowes Commission as the basis for the election of trustees, provide a useful guide for the establishment of common ward boundaries for the election of both councillors and school trustees.

Recommendation 5.20: Ward boundaries for boards of education be the same as those for area municipal councils. The present system of electing local and Metro separate school trustees be adapted to reflect the new municipal boundaries and ward boundaries.

This Commission is also in agreement with many of the other recommendations of the Lowes Commission concerning the electoral system for education in Metropolitan Toronto. These recommendations are listed below.

Recommendation 5.21: The following recommendations of the Ministerial Commission on the Organization and Financing of the Elementary and Secondary School Systems in Metropolitan Toronto be implemented:

Table 5.3: Proposed Changes in Composition of Boards of Education

Municipality	Local Board of Education						Representation on Metropolitan Toronto School Board	
	Present			Proposed			Present	Proposed
	Public*	Separate†	Total	Public*	Separate†	Total		
City of Toronto	22	3	25	24	3	27	6	6
Borough of North York	14	2	16	15	2	17	4	4
Borough of Scarborough	12	2	14	12	2	14	3	3
Borough of Etobicoke	10	2	12	12	2	14	2	3
Borough of York	8	2	10	9	2	11	1	2
Borough of East York	8	2	10	9	2	11	1	2
Representatives of Metropolitan Separate School Board							3	3
Total							20	23

* Elected to the area municipality board by public school supporters.

† Elected to the area municipality board by separate school supporters.

26. Each ward in an area board's jurisdiction be represented by one trustee.
27. A natural community or family of schools be, where feasible, the constituency from which the local trustee is elected.
42. The Metropolitan Toronto School Board continue to be composed of trustees who are members of area boards or representatives of the Metropolitan Toronto Separate School Board.
44. The composition of the Metropolitan Toronto School Board continue to be based as nearly as possible upon representation by population.
45. An area board have one representative on the Metropolitan Toronto School Board per 100,000 population or major fraction thereof.
46. Representatives from the area boards to the Metropolitan Toronto School Board be elected annually.

The results of these recommendations for the composition of area boards of education and the Metropolitan School Board under the proposed new boundaries are summarized in Table 5.3.

Conclusion

The electoral system is the essence of any form of local government. In this chapter, the Commission has proposed a number of modifications to enhance the qualities of clarity, accountability, representation, representativeness, and effectiveness that it considers essential to enable the electoral system to meet the needs of the citizens of Metropolitan Toronto in the years to come.

The design of electoral systems, particularly municipal electoral systems, is not an exact science. The Commission believes that the approach outlined in this chapter will improve the ability of citizens to take part in an open, democratic local government system. Given the important decisions to be made in this system now and in the future, the Commission believes that actions to accomplish this purpose are vital to the continued health of the local democratic process in Metropolitan Toronto.

Note

1. Special Program Review, *Report*, Ontario Government Publications (Toronto, 1975), pp. 318-21.

Local Decision-Making and Administration

Local governments in Ontario have never had complete local autonomy; some level of provincial supervision and control has always been present, and has always been accepted. Nevertheless, ever since local democratic government was established in 1849, there has been a continuing debate about the degree of autonomy desirable and the amount of provincial control appropriate. Industrialization and urbanization in the twentieth century brought with them a significantly increased role for the provincial government in local affairs, making the debate about local autonomy more important than ever before.

The current broad division of authority and responsibilities between provincial and local governments was mainly developed when municipalities were small, rural, and stable. The constraints of the general municipal legislation were such that entirely new legislation was needed to establish the mechanism by which the Toronto metropolis is now governed. In the Commission's view, it is now time to make further fundamental legislative alterations, this time with special relevance to the balance between provincial control and local self-government as it pertains to this Metropolitan community.

There are four interrelated factors which currently restrict the decision-making capacity of Metro's municipalities and thereby limit their ability to govern themselves in a manner that will allow them to address the challenges they face. These factors are: provincial legislation defining the provincial-municipal relationship; the fragmentation of responsibility for local functions among special purpose bodies; the restrictions on the ways municipalities are allowed to make decisions and conduct their business; and the limitations of the municipal revenue base. The first three of these factors will be addressed in this chapter; the fourth will receive detailed comment in chapter 10.

The Statutory Framework for Local Government

The single most important fact about the legal status of municipalities in Ontario is that they are the creations of the provincial legislature. It is within the constitutional power of that body to abolish all municipalities, to double their number, or to make any other change in municipal organization it deems fit. It may be useful to review the constitutional and common law reasons why this is so.

The British North America Act divides governmental jurisdiction within Canada between two sovereign authorities: the federal parliament and the provincial legislatures. The responsibility for municipal institutions is accorded to the latter under section 92(8) of the Act. The legal principle that applies is that because municipalities are not sovereign, the authority for their actions must be derived from provincial statutes. Over the years, the courts have interpreted this derivation of authority quite narrowly, so that now, in almost all cases, a municipality may not exercise any power that has not been specifically delegated to it by a provincial statute. As a result, provincial legislators tend to be extremely specific when



granting authority to municipalities. The unaccustomed reader of provincial statutes governing municipal activity cannot help but be surprised at the highly detailed and prescriptive nature of the legislative provisions.

So specific and detailed is the preponderance of such legislation, that even the rare general grants of power to municipalities have been judged by the courts to mean little in reality. Thus, section 242 of The Municipal Act, which states that "every council may pass such by-laws and make such regulations for the health, safety, morality and welfare of the inhabitants of the municipality in matters not specifically provided for in (the) Act as may be deemed expedient and not contrary to law," has been viewed by the courts as granting very little power at all.

The authority of a municipality to act must be found in specific provisions of The Municipal Act, The Planning Act, or other statutes such as The Municipality of Metropolitan Toronto Act. Furthermore, the by-laws of municipalities created under the jurisdiction of these statutes are subordinate to provincial legislation, and may in no way contravene it.

The result of this judicial and legislative tradition is twofold. First, municipalities today have very little authority to initiate policies independently of the province. In the past few years, for example, municipalities in Metro have been forced to ask the legislature for statutory amendments to sanction simple initiatives such as providing free shovelling of snow for elderly persons, creating bus lanes on major roads, and funding information centres. Second, the scope of municipal decision-making is severely circumscribed by statutes which not only state what the precise role of the municipality shall be, but also prescribe in very specific terms the ways in which the municipality must carry out its responsibilities. Historically the prescription of such a level of detail may have been useful – even necessary. However that may be, the result is that today municipalities are more like administrative agencies of the province than representative bodies exercising the responsibility for self-government.

A review of the statutory framework governing the provision of local services in Metro bears this out. A study conducted for the Commission and published separately, entitled *Local Decision-Making and Administration*, analyses all statutes empowering the province, the Municipality of Metropolitan Toronto, and the City of Toronto to provide local services. In the study, services are defined as benefits conferred upon individuals by the provincial and municipal governments in the context of the municipality or community. Each legislative enactment governing the provision of a local service is categorized according to the manner in which that responsibility is carried out. There are four categories. In the first are local services for which the province sets the standards and administers or delivers the service itself. In the second are local services for which the province sets the standards and designates some organization or special purpose body other than the municipality to deliver and administer the service. In the third category are local services for which the province sets the standards or approves municipal stan-

dards and permits municipal administration or delivery of the service. And in the fourth category are local services for which the municipal council sets standards and provides for municipal delivery and administration.

Categorizing local services in this way, the study shows that more often than not the role of the elected municipal council in Metro is to administer a service which the province oversees or controls. More than half of the local service areas analysed in this manner are the preserve of the province or a provincially imposed special purpose body; municipal councils have no role in them whatever. One-quarter of the service areas are municipally administered, but under provincial supervision. Thus, only the remaining service areas are assigned exclusively to municipal councils.

Moreover, many of the responsibilities fully under local control are relatively unimportant. These include such functions as removing ice and snow free of charge, regulating heat in residential premises, providing for rodent control, dog licensing, and controlling nuisances such as noise. Certainly municipal councils do have control over functions of comparatively greater importance such as general licensing, parks, sewers, water supply, and the regulation of sidewalks and certain highways. But even here, there is often provincial involvement through the control of capital borrowing by the Ontario Municipal Board and through general provincial regulations respecting land-use planning and environmental concerns.

The inescapable conclusion is that the duly elected municipal councils of Metropolitan Toronto are not permitted to exercise as much discretion as is granted to many provincial administrative bodies whose members are not elected, but appointed.

Special Purpose Bodies

The province exercises control over many local services by delegating the responsibility for them not to councils but to special purpose bodies. Each such delegation lessens the scope and capacity of local government to provide services in an integrated manner.

Special purpose bodies exist at all levels of government for a variety of reasons, many of them sound. For example, some public activities have such a sensitive adjudicative nature that they are best conducted outside the political arena. Others are large-scale operations, somewhat like a private business, and here too there are advantages to separating detailed management of these enterprises from elected bodies, although some control may be retained by the appropriate legislature. Special purpose bodies can also relieve the government of a variety of other detailed, and sometimes delicate, matters.

Perhaps the most widely known of local special purpose bodies in Metro are the school boards. Others are the public health boards, the library boards, the planning boards, the hydro and utility commissions, the Toronto Transit Commission,

Table 6.1: Special Purpose Bodies in Metropolitan Toronto, 1975

Type of Body	Formation		Function			Membership			
	Number in Metro Toronto	Mandatory ¹	Optional	Policy and/or operational responsibility	Advisory	Quasi-judicial	Directly elected	Appointed entirely by Council	Appointed by Council, as well as province, school board or other bodies
boards of education	8	x		x			x		
library boards	7	x		x					x
boards of health	6	x		x				x	x ²
planning boards	6	x		x				x	
hydro-electric commission	4	x ³	x	x			x		x ³
public utility commission	1		x	x			x		
transit commission	1	x		x				x	
police commission	1	x		x					x
conservation authority	1	x		x					x
children's aid societies	2	x		x					x
licensing commission	1	x				x		x	
agencies of the Metropolitan Corporation operating facilities owned by it	4	-	-	x				x ⁴	x ⁵
major bodies receiving Metro grants	3 ⁶	-	-	x					x
harbour commission	1	x		x					x
housing corporations	2	x		x				x	
parking authorities	2		x	x				x	
committees of adjustment	6	x				x		x	
courts of revision	4	x				x		x	
housing or property standards committees	5	x				x		x	
boards of management for arenas, community centres, local improvement areas	24	x ⁷	x	x				x	
humane society	1	-		x					x
advisory bodies	18		x			x		x	

¹ Mandatory means function must be performed through a special purpose body framework unless special conditions prevail.

² Borough of East York Health Unit

³ City of Toronto Hydro Electric Commission

⁴ Board of Management of the O'Keefe Centre, Civic Garden Centre Board of Management

⁵ Canadian National Exhibition Association, Metropolitan Toronto Zoological Society

⁶ Convention and Tourist Bureau of Metropolitan Toronto, Metropolitan Toronto Industrial Commission, Royal Agricultural Winter Fair Association

⁷ Community centres established under The Community Centres Act must have boards of management, while community centres established under The Municipal Act need not.

the Metropolitan Board of Commissioners of Police, the Children's Aid Societies, and the Metropolitan Toronto and Region Conservation Authority.

There are more than one hundred local special purpose authorities in Metropolitan Toronto and its constituent municipalities (described in Table 6.1). Most have narrow program, regulatory, or management responsibilities; only a few are strictly advisory in nature. But fully one-third of these bodies have major policy and program responsibilities. Because they have authority that could substantially enhance the efficiency and effectiveness of municipal government, these are the special purpose bodies that are of serious concern to the Commission.

The major special purpose authorities at the local level are fundamentally different from their counterparts at the federal and provincial levels. Local special purpose bodies are quite separate from the municipal council although in many cases they govern functions which, if handled at the other levels of government, would unquestionably be under direct legislative control. It would be scant exaggeration to say that they are really little governments themselves because, within the limits of the jurisdiction conferred on them, many of these bodies are legally supreme and in no sense subordinate to the municipal council.

Local special purpose bodies differ from special authorities at the senior levels of government in other ways as well. For example, while the senior levels of government may choose to create special purpose authorities, municipalities in many cases are compelled to do so. Similarly, while federal and provincial legislatures can define the powers of such bodies, as well as their legal, financial, and reporting relationships to their respective governments, the major local special purpose bodies derive their authority from provincial statutes which municipal councils cannot alter. In these cases, the relationship of those authorities to the council, if any exists, is also defined by provincial statute, as are requirements for the membership of these bodies.

Looked at from a somewhat different perspective, it can be said that a major distinction between municipal government and provincial and federal governments is that the municipalities have no option but to tolerate the existence of other bodies, financed out of public funds, providing services which they themselves could provide, and certainly would if they had the same sort of authority as do the senior levels.

In order to govern effectively such a diverse urban community as Metro, elected representatives must be able to see the community as a whole, and ensure that public responsibilities that are mutually interdependent – such as public health and social services, libraries and schools, policing and planning – are coordinated and integrated. In an urban environment already complicated and complex, such integration is inevitably impeded if the responsibility for these functions is fragmented between a general purpose municipal council on the one hand, and many special purpose authorities on the other.

In addition, the multiplicity of special purpose bodies at the local level is a substantial impediment to rational financial planning and control in local government. Historically, the deliberate insulation of certain services from political control was designed to enable their provision unfettered by political interference and compromise. As a result, these areas of public activity have grown and flourished with a minimum of financial restraint, often aided by direct conditional grant support from the province. If governing implies the careful and considered allocation of public resources among competing needs, then the current provisions for mandatory special purpose bodies frustrate the ability of municipalities to govern.

It must be concluded that in many respects these special purpose bodies appear to be sub-units of provincial administration rather than units of local government administration. This distinction is important because it emphasizes the point that local special purpose bodies as they now exist diminish local self-government and increase provincial control over the administration of local services.

The Municipal Decision-Making Process

The legal status of municipalities has serious implications for their decision-making processes. Since municipalities derive all their authority from provincial statutes, this authority originates with the provincial legislature and is delegated to a subordinate body, the municipality. The legal principle which accompanies this is that where authority is delegated to a body, it must be exercised by that body and by no other person, body, or agency. The Latin maxim used by the courts to express this restriction on the exercise of delegated power is "delegatus non potest delegare," or the "delegate may not delegate."

Although not immutable, this legal principle means that unless there is specific legislative provision to the contrary, a municipal council must exercise all of the authority delegated to it by the province. Nevertheless, as with every good rule, there are exceptions. In this case, the courts have ruled that a municipal council may sub-delegate administrative authority without specific legislative authorization. What is administrative authority and what is not is often unclear, but sub-delegation is generally valid where the authority delegated by a municipal council does not entail a power to determine or adjudicate rights, exercise a great deal of discretion, make policy, or take legislative action.

For example, the courts have ruled that while a council may delegate to a commissioner of parks the power to regulate the use of public parks by groups, it may not delegate to a fire chief the authority to require property owners to provide fire protection equipment, on the grounds that the latter is deemed to be legislative while the former is deemed to be administrative. In another case, the City of Toronto received a legal opinion that its power to hold hearings for granting demolition permits could not be delegated to a committee of council because such authority

would likely be determined by the courts to involve the adjudication of rights. The dividing line is quite obscure, and understandably under these circumstances, municipal solicitors are reluctant to suggest that delegation of authority be undertaken at all.

The municipal status of being inferior to a sovereign body affects not only this ability to authorize other persons or bodies to carry out a number of tasks for the council, but also the way in which the municipal council exercises its own authority. For example, the courts have ruled that the municipalities must exercise through detailed regulations their authority to regulate matters within their jurisdiction. Unlike other levels of government, municipalities are not permitted the flexibility of making generalized policy to be refined subsequently on a case by case basis. Rather than developing policies incrementally they must spell out the details of policies at the outset if the regulation is to be upheld by the courts. They are also not allowed to enable others – subcommittees of council, employees, or other agents of their own choosing – to assume this responsibility for detailed policy formulation, or the conduct of hearings and the reporting of findings to council in the development of policy.

In practical terms this means that, for example, every “no parking” sign, every parking meter, every promotion and dismissal in the civil service must be dealt with by the full council. It means that most council agendas are inundated with items that involve little in the way of important discretion, and councillors, forced to become adept at processing a good deal of trivia, may not get the chance to develop much capacity for dealing effectively with major issues. Because all reports of all committees of council must ultimately go to council, the amount of paper which forms the council agenda is extraordinary. The first impression of the spectator at council meetings is of a chairman calling out agenda numbers, and councillors crying “agreed.”

All this is not a sinister plot to paralyse local decision-making. It is rather a direct result of the impact of the current statutory and common law framework on the local decision-making process. It is important to remember that the legal maxim which causes this situation is not a mindless rule, but on the contrary is a cornerstone of the rule of law. The rule of law demands that power be exercised only by those authorized to do so. Where the municipal council is the recipient of delegated authority from the province, it alone must exercise that authority.

The senior levels of government have found it necessary to delegate some aspects of their decision-making responsibilities to ministers of the crown, senior officials, special agencies of their own creation, and so on. They can do this because they exercise sovereign authority. They choose to do this because they have found delegation to be a necessary tool of governing a complex modern society. There is just too much to be done to be handled by a legislature or a cabinet, no matter how wise and diligent.



The municipalities of Metro Toronto will be much better equipped to face the challenges of the future if they are given the same kind of flexibility and discretion in policy-making and implementation as the senior levels of government.

The Commission's Approach to Reform

In recommending changes in the local decision-making process in Metropolitan Toronto the Commission has three fundamental objectives.

First, municipal councils in Metropolitan Toronto must have the authority for a broad range of local responsibilities carried out in the community. Only then can effective coordination and useful integration be achieved among services that so closely affect one another, and only then can overall priorities be set to ensure the greatest possible benefit from the expenditure of public funds.

Second, the municipalities of Metropolitan Toronto must be permitted to organize their affairs as they see fit. There does not exist one perfect way to organize the local decision-making and administration system. Metropolitan Toronto and its constituent municipalities are responsible and competent enough to develop their own appropriate organizations, and to refine these from time to time to meet their needs.

And third, in order to carry out all local responsibilities and to organize their own affairs, local governments in Metropolitan Toronto require the flexibility to innovate and experiment in different techniques of policy development and implementation. It is the Commission's expectation that changes in personnel, functions, boundaries, and so on resulting from the implementation of the Commission's recommendations will provide more than ample impetus and encouragement to local politicians and administrators alike to examine critically their traditional decision-making practices and to reorganize their implementation arrangements.

Earlier in this chapter the Commission explained how three interrelated factors – the statutory framework for local government, the fragmentation of local authority among special purpose bodies, and the nature of the municipal decision-making process – together impose severe limitations on the ability of the municipalities in Metropolitan Toronto to govern themselves. The interrelation of these factors is stressed because their resolution must be interrelated as well. It makes little sense to enhance the ability of municipal councils to make policies if their areas of authority are overly restricted by provincial control. It does little good to integrate under councils local responsibilities now residing with special purpose bodies if this means that municipal councils must behave like sub-units of provincial administration. And it is surely unwise to increase local autonomy while withholding from municipalities the necessary tools of government.

What is being proposed for Metro is only a natural step in the evolution of local government in Ontario, a step no more radical than the creation of a two-tier system

was in 1953. The Commission emphasizes that this is entirely compatible with the constitutional responsibility of the province for municipalities.

Assignment of General Powers

The municipalities of Metropolitan Toronto should be able to embark on activities within their areas of jurisdiction even though these are not specifically delineated in existing statutes. The seeking of specific legislative amendments for each municipal initiative unforeseen by the statutes is costly in terms of both human effort and time, and inimical to self-government. Moreover, even when enabling legislation is passed (often subject to provincial regulation and conditional funding), the flexibility of municipalities to readjust their policies is limited. The Commission concludes that general powers to act should be granted to Metropolitan Toronto and the area municipalities within its borders.

Recommendation 6.1: The legislation governing Metropolitan Toronto and its constituent municipalities be amended to provide general powers to legislate with respect to local affairs, so that within their areas of jurisdiction, councils may pass any by-law, so long as it does not conflict with provincial legislation.

For reasons explained earlier in this chapter, this assignment of general powers to legislate must be drafted carefully, to ensure that the intentions of the legislature are clear to the courts. In particular, the definition of "conflict" must be clearly determined to guarantee the spirit of this reform.

Two recent amendments to The Municipal Act indicate a movement in this direction. For example, section 248(a) now gives municipalities a broad power to grant money to whomever they choose, while section 453 provides a fairly broad power to regulate the placing of objects on sidewalks. These amendments may not be epoch-making in their implications, but they are indicative of what can be done to increase the policy scope for municipalities.

Eliminating Unnecessary Detail in Legislation

The capacity of the municipalities of Metropolitan Toronto to govern would be enhanced significantly if the legislation governing municipal activities were revised to eliminate the picayune and unnecessary details both in the statutes themselves and in their regulations. The extremely narrow and often petty legislative provisions found in virtually every provincial statute granting authority to the municipal level are the results of legal interpretations over the years and of long-standing legislative attitudes. Some of these details are the result of specific procedures and conditions which must be followed by municipalities to qualify for provincial grants.

The unintended result of these forces is a virtual straight-jacket for the municipalities.

For example, municipal authority to establish local community centres is found both in The Municipal Act and in The Community Centres Act. The statutes contain detailed prescriptions about how these centres are to be administered, the specific composition of their boards of management, the relationship of these boards to councils, whether the board may lease space for refreshment stands, the specific conditions under which provincial grants may be made available, and so on. The Commission thinks such detailed statutory control is quite inappropriate for what is, after all, a highly localized undertaking.

Recommendation 6.2: All legislation pertaining to Metropolitan Toronto and its constituent municipalities be amended to remove as many of the highly detailed provisions as possible.

The Power of Delegation

As part of a total effort to strengthen local government, it is necessary also to provide it with appropriate tools of governing. The most important among these is the power of delegation.

Providing Metro and the municipalities with a general power to delegate recognizes the need for flexibility in public policy development and implementation. The granting of a general – not a restricted – power of delegation eliminates the necessity of determining in advance all the possible appropriate areas of delegation as well as all the possible recipients of delegated authority. It permits the municipal councils to decide for themselves how to discharge their responsibilities.

The power to delegate responsibility is not the power to abdicate responsibility. To prevent the possible abuse of a general power to delegate responsibility, it is necessary to ensure that ultimate political authority and financial responsibility for public expenditures remain with elected councils. In addition, the Commission recognizes that care must be taken to protect the rule of law and the rights of individuals whenever the authority of government is delegated. There are many procedural safeguards and rules of natural justice that have been developed to ensure these objectives, such as rights of appeal, the making of decisions within a framework of known policy, and so on. The delegation of authority at the municipal level should be accompanied by similar measures.

Recommendation 6.3: The councils of the Municipality of Metropolitan Toronto and its constituent municipalities be given a general power to delegate responsibility to persons or bodies within or outside the municipal organization, or to agencies of their own creation, subject to the following conditions:

- a) the councils accept ultimate political and financial responsibility for the actions of those to whom they delegate;

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- b) the councils be precluded from establishing separate elective offices under The Municipal Elections Act for those to whom they delegate;
 - c) the delegation of responsibility be renewed or retracted by each new council; and
 - d) the exercise of the power of delegation be compatible with the principles of the rule of law and of natural justice.

A general power of delegation will enhance not only the decision-making capability of each municipality in Metro, it will also permit greater flexibility in the entire single system of local government in this community. With its general power of delegation, any council in Metropolitan Toronto will be empowered to ask another council to discharge a responsibility on its behalf, subject to the policies and procedures it prescribes. For example, the Metropolitan Council could delegate its responsibility for the management of its housing units to any area municipality if both should decide that such delegation is appropriate. Similarly, the area municipalities, independently or jointly, could choose to delegate their health statistics collection programs to the Metropolitan level, and to transfer public health staff for that purpose.

Integration of Local Responsibilities

Municipal councils will require control over the whole range of local responsibilities in order to govern well. It was noted above that authority for many local functions is now delegated by the province not to the municipal councils, but to special purpose bodies, often autonomous from councils and operating under separate provincial legislation. One of the most prevalent arguments in favour of special purpose bodies is that certain local functions are "too important to be left to the politicians" or so sensitive that they must be "protected from politics." This attitude ultimately reduces to a view of politics as a sinister process and municipal councilors as unworthy of public confidence.

The Commission is of the opinion that the public holds a more positive view of politics as a healthy resolution of community issues through the democratic process. Municipal politics are no exception. Furthermore, if it is contended that some local public services must be "protected from politics," then it is up to the proponents of that view to demonstrate why some services are needful of this protection, while others are not. In the Commission's view there is no intrinsic distinction between, for example, health and libraries on one hand and social services and recreation on the other that indicates the former should be handled separately from other local services while the latter need not. History and tradition are interesting and often instructive, but seldom should be compelling determinants of future administrative arrangements.

Historically there may have been a stage in the development of cities in Ontario when municipal councils concentrated on building the physical infrastructure of the community and neglected to provide sufficient financing for the necessary “softer” services such as public health, or what then may have been thought of as “luxury” services, such as libraries.

There can be no question that these times have long gone in Metropolitan Toronto. This urban area is now virtually built up, and while it will always be concerned with the conservation and updating of the physical infrastructure, it is no longer preoccupied with the exigencies of physical expansion. It is inconceivable to the Commission that now, or in the future, local government in Metropolitan Toronto would fail to provide library and public health services, hydro-electric power and flood control, or even education, to the best of its abilities and resources, if these were its statutory responsibilities. To suggest otherwise is to express an anachronistic view of local government and an unwarranted lack of confidence in the political leadership of this community.

The time has come to recognize that local government in Metropolitan Toronto has come of age, and should be granted the necessary powers to permit it to provide the services required and to establish the local priorities that people want.

The Commission therefore is recommending that all local functions be the responsibilities of locally elected councils and school boards. This recommendation does not mean that all existing special purpose bodies would cease to exist. It is not the Commission's intention to disrupt organizational arrangements which may work to the satisfaction of the councils of Metro's municipalities, nor does the Commission foresee all changes taking effect simultaneously. But it is the local elected representatives who are in the best position to decide how to administer a local service. They should no longer be required to work through any special purpose body; they should be free to provide a local service through a department of local government if they so choose; or through a separate, specific organizational unit – a special purpose body – if this is their preference.

The general power of delegation recommended earlier in this chapter will permit councils to create any number of separate units, designate their responsibilities, specify their relationship to council, and alter these arrangements from time to time.

Recommendation 6.4: Local governmental functions be the responsibilities of municipal councils. The statutory provisions for all special purpose bodies now operating within Metropolitan Toronto and its constituent municipalities, with the exception of boards of education, be removed and the authority of these bodies assigned to their respective councils.

The Commission is exempting education from the application of this principle and suggesting the retention of boards of education because of the strong tradition of elected boards of education in Ontario and the particular requirements of the



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separate school system. A more comprehensive examination of the relationship between the school system and general purpose councils can be found in chapter 5 and chapter 17.

As a result of these changes, the Metropolitan Council will have the responsibilities for transit, regional library services, child welfare, and policing, and the provisions for the following bodies will be removed:

- Toronto Transit Commission
- Metropolitan Toronto Library Board
- Children's Aid Society of Metropolitan Toronto
- Catholic Children's Aid Society of Metropolitan Toronto
- Metropolitan Board of Commissioners of Police

The area municipal councils will assume the responsibilities for public health, planning, libraries, and retailing of hydro-electric power, and the provisions for the following bodies will be removed:

City of Toronto

- Toronto Board of Health
- City of Toronto Planning Board
- Toronto Public Library Board
- Toronto Hydro Electric Commission

Borough of North York

- North York Board of Health
- North York Planning Board
- North York Public Library Board
- North York Hydro Commission

Borough of Scarborough

- Scarborough Board of Health
- Scarborough Planning Board
- Scarborough Public Library Board
- Scarborough Public Utilities Commission

Borough of Etobicoke

- Etobicoke Board of Health
- Etobicoke Planning Board
- Etobicoke Library Board
- Etobicoke Hydro Electric Commission

Borough of York

- York Board of Health
- York Planning Board
- York Public Library Board

Borough of East York

- East York Health Unit
- East York Planning Board
- East York Public Library Board
- East York Hydro Electric Commission

Earlier in this chapter it was noted that some special purpose bodies exercise responsibilities of a quasi-judicial nature and are therefore best kept separate in the same way that the courts and other tribunals are separated from legislatures. The quasi-judicial bodies in Metropolitan Toronto are the Metropolitan Licensing Commission, committees of adjustment, housing or property standards appeal boards, and courts of revision. Provisions for these bodies are found in The Municipality of Metropolitan Toronto Act and in the province's general legislation governing municipalities. They bind municipalities to specific organizational arrangements for

the implementation of municipal policy through the conduct of hearings on certain municipal matters and the adjudication of disputes.

Undoubtedly the functions performed by these tribunals will continue to be required in the future. Undoubtedly, too, separate bodies will be found to be the most appropriate vehicles for carrying out these functions in most if not all cases. Nevertheless, the Commission thinks that it is the municipalities themselves who are in the best position to decide what agency is required to do a particular job. The municipalities should have the authority to establish the quasi-judicial bodies they deem necessary and to determine their terms of reference and methods of procedure within the framework of the law.

Other special purpose bodies in Metropolitan Toronto are generally under the policy or budgetary control of the Metropolitan or area municipal councils, and act as agents of their respective municipal corporations. These include, at the Metropolitan level, the Canadian National Exhibition Association, the Metropolitan Toronto Zoological Society, the Civic Garden Centre Board of Management, the Board of Management of the O'Keefe Centre, and the Metropolitan Toronto Housing Company Limited. At the area municipal level, bodies which act as agents of the municipalities include two non-profit housing corporations, the Toronto Humane Society, the boards of management for community centres and other facilities, and two parking authorities. Here again, however, there are specific statutory provisions, sometimes contained in several different acts, governing how these bodies are to be constituted, their relationship with councils, and so on. The municipal councils of Metropolitan Toronto are quite capable of making these judgments for themselves and should be permitted to do so.

Finally, there are three intergovernmental special purpose bodies whose finances and operations have a significant impact on Metro; recommendations regarding them are made elsewhere in this report. They are the Metropolitan Toronto and Region Conservation Authority (chapter 14 and chapter 20), the Toronto Area Transit Operating Authority (chapter 13), and the Toronto Harbour Commissioners (chapter 13).

It is the Commission's expectation that the implementation of its recommendations will result in increased flexibility and innovation in the ways municipalities choose to administer their services. For example, one municipality may choose to exercise the entire responsibility for public health through a committee of council. Another may delegate certain aspects of the function to neighbourhood committees in those areas of the municipality which desire such access and participation. A third may continue to have a single board of health with citizen appointees not unlike the present boards, although subject to the controls described above. Trial and error, experimentation, and even healthy competition will be encouraged. Because all local authority will reside ultimately with the municipal council, such variation should not cause confusion; rather, it should be a reflection of community needs and of local control.

The Structure of Councils

The structure of councils themselves can enhance or impede the ability of Metropolitan Toronto and its constituent municipalities to take advantage of the reforms recommended in this chapter. In particular, the roles of the heads of council and the executive bodies are very important.

Heads of Council

The role of the mayor in Canadian cities is a hybrid of the function performed by mayors in the United States and in Great Britain. In the United States, mayors elected at large have substantial power. For example, they choose their own executive body, appoint and dismiss senior officials in the civic administration, and often have the power to veto local council decisions. In Britain, the responsibilities assigned to mayors are largely ceremonial, although they chair local council meetings. It is left to another person, the government leader, to carry out the administrative and executive responsibilities. Both officials are selected by the local council from among their members, but the government leader is almost invariably the leader of the party in power in the local government.

The statutory responsibilities currently accorded to a mayor under Ontario's Municipal Act are somewhat ambiguous. Indeed, they are so flexible that in reality every mayor may carve out for himself a role that suits his style and abilities.

The Municipal Act specifies that a mayor is the head of council and the chief executive officer of the municipality. His duties are to:

- preside at all meetings of council whenever present;
- ensure that the laws governing the city are duly executed;
- supervise the conduct of all civic officials in the performance of their duties;
- cause all negligence and carelessness of duty to be prosecuted and punished; and
- communicate to council from time to time all such information and recommend such measures as may tend to the betterment of the finances, health, security, cleanliness, comfort or ornamentation and prosperity of the municipality.

Mayors are also ex-officio members of all boards, commissions, or other organizations to which the council has the right to appoint members; and in those municipalities with boards of control or executive committees, the mayors act as chairmen of these bodies. In addition, mayors may make proclamations calling for the dispersal of riotous assemblies within the municipalities – fortunately a power rarely in need of exercise.

In chapter 5 the Commission recommends that the mayors of the area municipalities continue to be directly elected at large in view of the wide public

recognition and voter interest such direct election attracts. In addition, under the proposed system of composition for Metro Council, the mayors will be an important link between that body and the area municipal councils. The general power of delegation proposed here will enable a council to delegate further responsibilities to the mayor if it sees fit. Therefore the Commission considers it unwise to add to the responsibilities of the mayor any further statutory responsibilities which might inhibit the flexibility so important to the effective performance of that office.

Recommendation 6.5: The current statutory powers of mayors be retained.

Current statutory provisions regarding the Metropolitan Chairman accord him powers as general as those of the mayors. He is the head of council, chairman of the Executive Committee, and chief executive officer of the municipality. It seems certain that the considerable power historically exercised by the Chairman has been more a function of his being the only full-time Metro councillor than a reflection of his statutory responsibilities. The Commission concludes, therefore, that no change is necessary in the statutory provisions setting out the powers and duties of the Chairman. Whatever changes in the status of the position that are necessary can be achieved through political rather than legislative means. Such changes, if generally desired, would be hastened by the Commission's proposals for direct election of Metro councillors from among whose number the Chairman would be chosen.

Recommendation 6.6: The current statutory powers of the Metropolitan Chairman be retained.

If the Commission's recommendations are implemented, the mayors will have a municipality-wide mandate, while the Metro Chairman will enjoy the confidence of Metro Council as its chief executive officer. As the chief officers of their governments, it is appropriate to require that the heads of councils be chairmen of the executive bodies of their respective councils.

Recommendation 6.7: The heads of councils be ex-officio chairmen of the executive bodies of councils.

The Executive Body

One obstacle to increased flexibility for councils is the current requirement for boards of control.* Outside of Metro, boards of control are found in only three other

* In cities over 100,000 in population, a board of control is mandatory unless the council votes by a two-thirds majority not to have one. In the boroughs, which are considered to be townships under provincial legislation, boards of control are optional, but once chosen, their abolition requires a two-thirds majority vote of council. The Borough of East York has chosen not to exercise this option, and therefore has no board of control. Both the Metropolitan Council and the City of Toronto have executive committees which exercise all the powers of a board of control. Once a board of control is established, it is mathematically possible but politically improbable that a council will vote to abolish it.



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Canadian cities – Hamilton, Ottawa, and London. Elected at large, boards of control exercise a varied combination of statutory responsibilities. They prepare for submission to council the annual estimates of expenditure; call for tenders for materials and supplies; prepare specifications for and award contracts; and exercise considerable control over selection, compensation, and dismissal of senior civil servants.

Today boards of control are powerful bodies standing between the council and the civic administration. Through their direct election and exclusive powers, they diminish the status of council and add unnecessary complexity to the system of local government. Because decisions of boards of control in areas of their jurisdiction can only be overturned by a two-thirds majority vote of council, the board of control system leads to rivalry and political animosity on council.

The board of control system is an outgrowth of the American governmental tradition of the separation of power. This is contrary to the Canadian governmental tradition, derived from the British, wherein the executive is chosen from among the members of the legislature. Of course, there is nothing treasonous about copying American governmental institutions, or conversely, nothing particularly sacrosanct about the Canadian parliamentary system. But in the Commission's judgment, the decision-making capability of any level of government is enhanced if the executive

body is chosen by and from the members of the legislative body. Even in the absence of political parties at the local level, the relative confidence of council enjoyed by the executive body and the political cohesion of the decision-making process under this system of executive selection facilitate the process of governing. In contrast, the rivalry and hostility which often characterize relations between aldermen and controllers hamper the capability of municipal councils to govern well.

For these reasons, and for reasons regarding the simplification of the electoral system discussed in chapter 5, the Commission recommends that boards of control be abolished. It is quite likely that the municipalities of Metropolitan Toronto will all want to have some sort of executive committee, but in keeping with the Commission's determination to give real authority and flexibility to local government, the responsibilities of such a committee should be delegated to it by council, and not prescribed in statute.

The Commission is convinced that councils should decide for themselves what the key responsibilities of an executive should be, and which of their members have the confidence of council to carry these responsibilities out. The actual size of executive committees will probably vary from one municipality to another, as will the specific responsibilities assigned to them. Some responsibilities, such as the preparation of the municipal budget, will probably be common to all such committees. One prerogative of council which must be established is the right to strike any number of standing committees and delegate to them appropriate responsibilities.

Recommendation 6.8: The general power of delegation recommended for councils be interpreted as authorizing them to elect from among their members an executive committee, and any number of standing committees, and to delegate to them such responsibilities as the councils see fit.

The Conduct of Local Decision-Making and Administration

The Commission is not prescribing a specific policy-making process and administrative organization for the municipalities of Metropolitan Toronto. The decision to avoid such detail arose not because the present decision-making practices of the municipalities are perfect, but because there is no single correct way to structure decision-making. What is ideal for one municipality is not necessarily best for another. Furthermore, it would be presumptuous for one level of government to prescribe to another a mandatory administrative structure within which it must operate. Instead, the Commission has attempted to outline an environment – electoral, statutory, and legal – conducive to the necessary rethinking of traditional practices and innovative restructuring that will be required.

The Commission expects that the new councils, with new responsibilities, greater autonomy, and a longer term of office, will re-examine their respective

committee and departmental organizations, and consider carefully the regrouping of related functions to achieve better integration of municipal policies and programs.

The Commission expects that council itself will develop into the primary policy forum, while committees of council, benefiting from the power of delegation and the confidence of council, will engage in policy development and program evaluation.

The effective use of delegation should also enable the municipalities to experiment with imaginative schemes that have been suggested for citizen participation and service delivery at the community level.

By recommending broadly defined powers and political and administrative flexibility for local government, the Commission is advocating that Metro's municipalities be responsible for their own destinies within the governmental framework set by the province. They should have the responsibility and the authority to govern.

The Citizen and Local Government

The most significant change in the politics of Metropolitan Toronto during the past ten years is the general acceptance of the right of individuals and groups of private citizens to participate in the process of governmental decision-making. When the Goldenberg Royal Commission examined the Metro system between 1963 and 1965, the major confrontations between citizen groups and local governments on such issues as expressways, urban renewal, and redevelopment were yet to come. While the troubled and sometimes hostile atmosphere that characterized the late 1960s and early 1970s had passed by the time the present Commission began its work, it is clear that community groups and interested individuals have by now gained an important and accepted role in the decision-making processes of municipalities throughout Metropolitan Toronto.

Clear proof of the role private citizens play is found in their presence on task forces, advisory groups, and study committees established by municipal councils to examine and make recommendations on problems ranging from the design of works yards to the development of neighbourhood services. Further evidence exists in the lengthy lists of deputations that characterize many council and committee agendas, and in the number and scope of the submissions made to this Commission. Of the seventy-five submissions made to the Goldenberg Commission, twelve were from private citizens and four from community groups. A decade later, this Commission received 227 submissions, including eighty-eight from private citizens and twenty-six from community groups. These submissions indicate that citizen participation is now considered to be advantageous by a wide range of opinion. Many business organizations, labour groups, municipal councils, and individual councillors said in their submissions that the local government structure should facilitate citizen participation.

Though much has been said and written on the subject, there is no single, generally accepted definition of citizen participation. For purposes of this report, citizen participation means any action taken by private citizens, individually or collectively, to express an opinion about or influence a government decision, or to exercise a legally delegated responsibility on behalf of a government.

Within this definition, it is certainly true that a citizen who runs for local office or votes in municipal elections is participating in his local government, albeit in a traditional way. Further, there have always been groups who attempt to influence local councils when their interests are at stake, whether they be individual firms, business associations, labour groups, or people interested in better parks or more help for the poor. To promote the collective interests of residents there have been community, ratepayer and neighbourhood associations in some parts of Metropolitan Toronto for more than forty years.

The two factors which distinguish the past ten years from the previous period are the number of private citizens who have chosen to express themselves about local affairs, and the strength and energy with which they have put their views forward. These factors have resulted in corresponding changes in the attitudes and



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procedures of municipal decision-makers. As a consequence, there is quite a different level and tone of political debate and action from that which existed a decade ago.

A Changing Society

With the advantage of hindsight, it is easy to trace the factors – both in the larger society and within Metro – that led to this increased involvement on the part of citizens. It was during the late 1960s that the effects of several deep changes began to be felt throughout Canadian society. New approaches in the educational system that had been introduced a decade earlier were producing an increasing number of graduates with an understanding and interest in the ongoing activities of their governments. By then, too, the nearly universal access to mass media provided an intimate, immediate awareness of developments both world-wide and local. With postwar prosperity and the growth in government programs affecting the daily lives of individuals, the number of points of contact between governments and the citizen greatly increased. Too frequently these contacts served to persuade some that governments were monolithic structures unwilling or unable to respond to individual needs.

An additional impetus was to be found in the turmoil that existed in the United States at this time. While the issues – for example, the war in Southeast Asia and

civil rights – were not directly Canadian, the attitudes and techniques of protest were widely applied to such Canadian problems as the administration of universities, the protection of the environment, the needs of cultural minorities – and the preservation of urban neighbourhoods.

Recently the role of government within Metropolitan Toronto has expanded in several significant areas. In response to the needs of the increasing numbers of working mothers, publicly supported services such as day care, school lunch programs, and after-school programs were initiated by local governments and school boards. In addition, the concentration of a large number of people in a relatively small urban area meant that a number of traditional local government services such as public health, libraries, parks and recreation took on a new importance.

A number of circumstances peculiar to Metropolitan Toronto made local government a focus for growing citizen activism. The first was the continuing high rate of growth, which resulted in strong pressure for large-scale redevelopment with its accompanying disruption of existing neighbourhoods. In addition, as the outlying parts of Metro and the surrounding region were developed, there was mounting pressure for expressway and transit connections between those areas and the central core, which remained the primary source of employment. These connections could only be made through the established residential neighbourhoods surrounding the core, and it was understandable that they should be opposed by inhabitants of these areas.

In view of all these influences, then, it was natural and perhaps inevitable that many private citizens would seek a greater influence on the decisions of their local governments. And while there have been frequent angry debates and occasional costly delays, no one can deny that the activity of citizen groups has often resulted in better decisions and more responsive government.*

The Participation Paradox

It would be wrong to conclude that these activities of the past ten years have involved a majority of residents of Metro or of any area municipality in any one issue. Citizen groups are influential not because they represent the actively expressed views of a majority, but because they represent a body of well-informed and articulate opinion. In this they are not unlike the interest groups that have existed throughout history in pursuit of objectives ranging from temperance to free trade, from the abolition of slavery to the abolition of fluoridation. In fact, relatively low voter turnouts and a significant number of acclamations in recent elections could be cited as evidence that the majority of citizens are uninterested in local government. As a result, an apparent paradox exists in that a significant number of citi-

* Chapter 9 contains a series of maps showing the areas covered by the nearly three hundred citizen groups now in existence in Metropolitan Toronto.

zens (but a minority nonetheless) want to be actively involved in local government, while many others remain content to express their views only through the ballot box, or not at all.

The Commission believes that low voter turnouts and a high acclamation rate result in part from the complexity and fragmentation of the existing municipal system, and for this reason some fundamental changes to reduce these problems are recommended elsewhere in this report. The present level of interest in participating beyond the ballot box does offer an opportunity to bring considerable benefit to local government through a healthy increase in the involvement of citizens. But it also raises a serious philosophical question, the answer to which should influence the procedures adopted to accommodate such participation.

Citizen Participation and Representative Government

The question is whether the expressed wish of a number of citizens to participate actively in government can be reconciled with the principle of representative democracy on which our present governmental system rests. This principle holds that ultimate political decision-making authority must lie in the hands of elected representatives. It was well expressed by Edmund Burke in a letter to a constituent:

*[A representative's] unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men. . . Your representative owes you, not his industry only, but his judgment. . . .*¹

The ultimate test of the validity of this judgment, Burke implies, is the ballot box. This principle does not dictate that a citizen may only participate by voting, or that his opinion of his representative's actions can only be expressed through the ballot box at election time, but simply that the elected representative may not surrender to others his duty to represent the public interest as he judges it to be.

In recent times this principle has generally been observed in practice within the limitations imposed by the complexity and scope of modern government and the attendant need for elected representatives to delegate responsibility for routine administration to paid staff. The principle is supported by the vast majority of municipal councillors in Metropolitan Toronto and, one suspects, by a substantial majority of its citizens.

If the principle of representative government – to which this Commission subscribes fully – is to be truly effective, local elected representatives should be chosen through an electoral system that is clear and equitable for all citizens. And once chosen, elected representatives should have authority for the fullest possible range of local decision-making as well as the ability to organize the administration of services in the way that they think best suits the local public interests. The implementation of the Commission's recommendations concerning the electoral system, special purpose bodies, and the power of delegation should bring about these conditions.

If these recommendations are implemented, the Commission believes that citizen participation will be enhanced through the strengthening of our system of local representative democracy. Because the governmental system and the locus of authority will be clearer, more citizens will be encouraged to express their opinions. Because the elected bodies will have a general power of delegation, they will be able to experiment with the creation of such small-scale units for the organization and delivery of highly local services as are contemplated by those who propose neighbourhood councils and related schemes. But because ultimate political and financial authority will remain with elected representatives, the duty of these officials to act in the broad public interest will be preserved, as will their accountability through the ballot box. Thus no unelected body will exist or be created that erodes the responsibility of elected representatives for the operation of local government facilities and services.

The Commission believes this approach is preferable to the other two chief possibilities: the maintenance of the status quo, and the institutionalization of citizen participation.

Continuation of the status quo (independent special purpose bodies, the prohibition against delegation, and an electoral system based on past circumstances rather than present reality) would have the advantage of preserving the contribution of unelected, part-time decision-makers who serve on such bodies as library boards, children's aid societies, planning boards, boards of health, the Toronto Transit Commission, and the Board of Commissioners of Police (there are more than one hundred such bodies in Metro Toronto). But it limits participation primarily to the few who serve on these bodies, and the multiplicity of separate elected and appointed bodies prevents an elected municipal councillor from fulfilling his duty to balance priorities in relation to the broader population to which he is accountable.

Private citizens who participate in special purpose bodies now act as developers of policy (for example, planning board members) makers of policy (for example, health board members) or administrators of service (for example, community centre board members). Many special purpose bodies combine all three roles. The Commission believes that the making of policy should be the responsibility of municipal councils. It will undoubtedly be necessary and desirable to involve citizens formally in the development of policy in a number of fields, but the exact nature and scope of this involvement will depend on the circumstances and the wishes of the council concerned. It may also be desirable to appoint bodies of private citizens for the routine administration of a major service such as transit or of a very local facility such as a community centre. Elected councils are best able to devise the most appropriate local structures for these purposes as part of their own responsibility for policy-making. It is no longer possible for provincial legislation to create any single type of special purpose authority that will meet the needs of each council at all times. The Commission's recommendations in this regard are contained in chapter 6.

The other possible approach, the institutionalization of citizen participation, is

unlikely to be effective. Examples of this approach include the proposals made to the Commission that systems of neighbourhood councils or citizens' committees be implemented throughout Metropolitan Toronto. Efforts to impose one system of citizen participation throughout an urban area have failed for the predictable reason that circumstances and citizen interest vary enormously from one neighbourhood to another and from one time to another. Generally, citizens in Metropolitan Toronto tend to become involved only when a particular issue arises that affects them directly. Any centrally designed structure of participation or administration applied to all of Metropolitan Toronto, or even to all of one area municipality, would be bound to encounter enormous difficulties in securing the continuing involvement of any significant number of people. In fact, the sheer weight of the structure could well blunt the ability of local neighbourhoods to perceive and take action on the important issues on which they now express themselves so effectively.

But the Commission does not conclude from this that municipalities should be prevented from experimenting with neighbourhood bodies in the administration of their services. Large and experienced governments such as the municipalities of Metropolitan Toronto should be able to design and implement somewhat untraditional means of carrying out their responsibilities if they see fit to do so, and the scope for experimentation is considerable. The proposed general power of delegation would permit them to do this, but would require elected councils to retain ultimate political and financial responsibility.

Recommendation 7.1: Municipal councils in Metropolitan Toronto consider using the general power of delegation proposed in Recommendation 6.3 to experiment with various ways of involving citizens in the development of policy and the administration of services.

Information

Regardless of what local government in Metropolitan Toronto can do or how many opportunities it provides for citizen involvement, people cannot participate if they do not understand how the system works and are not kept informed about its activities.

The Commission emphasizes that, in general, local government provides more access to information than the senior levels of government. Except in special circumstances, councils and other local bodies are required to meet in open sessions. Most documents can be obtained from municipal agencies by a citizen who knows where to ask. But the general lack of knowledge of Metro residents about their system of local government remains a matter of concern. A number of local public bodies in Metro have initiated active information programs to promote understanding of their services and activities. Elsewhere information programs tend to be passive and of low priority. For the Metro system as a whole, there is a



dearth of information that is accurate, easily understandable, and readily available.

While the Metro system will be streamlined and its lines of accountability clarified through the implementation of a number of the Commission's recommendations, of necessity it will continue to be a complicated structure. It is, therefore, incumbent on those working within the system to make every effort to make it understandable to the public.

It would be inconsistent with the Commission's philosophy to recommend a mandatory set of information procedures for municipalities, school boards, and other local agencies in Metro. But these bodies (particularly the Metropolitan Corporation) should recognize that the somewhat passive procedures which were deemed appropriate in the past are in need of review, given the size and complexity of the Metro system and the major role it now plays in the lives of people. In addition, if changes result from the Commission's report, the task of explaining them to the public will be an important priority.

Recommendation 7.2: Municipal councils and school boards in Metropolitan Toronto review their public information policies to ensure that they facilitate citizen understanding of the local government system and its activities.

The Commission believes that elected bodies should have the fullest flexibility to involve citizens in local government according to various local needs, subject only to the requirements of our system of representative government. For this reason, the Commission's comments on this question are general and philosophical rather than prescriptive. This approach is most likely to satisfy the needs and expectations of all Metro residents, each of whom is in some way a participant in his local government system.

Note

1. Edmund Burke, *Works*, Vol. 1 (cited in David R. Cameron, *The Social Thought of Rousseau and Burke* [London: Wiedenfeld and Nicolson, 1973], p. 148).

Intergovernmental Relations

If it was true three and a half centuries ago for John Donne to write that “no man is an island,” then it is a truism to say that no modern government can act in isolation. The need for each government to consult with others at the same and different levels has become so universally recognized that it has generated a whole new field of endeavour – intergovernmental relations.

The division of responsibilities between different levels of government has not brought with it a clarity of purpose for each level of government. In many fields more than one government is involved in providing a service, or financing it. Where this occurs it is impossible – or folly – for one jurisdiction to change major policies without consulting the other(s). Even where responsibilities are relatively clearly defined it is seldom possible for a service to be provided, or a set of decisions taken, that will not somehow impinge on the jurisdiction or the interests of another government. Because people cannot be compartmentalized, it is quite impossible to serve them through unconnected, autonomous organizations.

The governmental system in Canada is one that seems in some ways to maximize the need for intergovernmental coordination. So many of the major services of government are the partial responsibility of more than one level that fragmentation is the norm rather than the exception. As the level of service provided has increased over the years, so has the average level of competence of the people involved in that provision. Hence, it is now not uncommon for outstanding expertise in a particular area to lie at the provincial or municipal level, even when the federal government is involved, one way or another, in the service. As expertise is no longer the monopoly of one level, the usefulness as well as the need for intergovernmental consultation becomes more widely understood. Even if that were not so, the current financial arrangements between governments are so complex and affect so many different kinds of programs that for this reason alone a large measure of consultation and negotiation is needed.

The most visible and best-known device for intergovernmental consultations in Canada is the formal federal-provincial first ministers' conference at which public policies and programs of general interest and concern are discussed. Less well known is the extensive network of other federal-provincial and interprovincial sessions, some at the political level and others at the staff level. These number in the hundreds each year. Beyond such formal meetings, frequent informal and ad hoc contacts between officials of different governments have become a regular feature of the routine conduct of government business.

Until recently these intergovernmental dealings, on a more or less formal basis, were restricted to the federal and provincial governments. Municipalities were left to learn of the policies and initiatives that would affect them from the newspapers, or from speeches by ministers in provincial legislatures. Formal dealings were usually limited to annual briefs presented by municipal associations to cabinet; informal dealings were a result of the often haphazard network of political connections that exist in any governmental system.

In the last decade there has been a significant change in this regard. Provincial ministers have sometimes invited municipal representatives to accompany them to federal-provincial conferences, in recognition of the significance of the local level of government in the provision of public services, and the need to have them involved in the negotiating processes. In addition, the federal government has been actively promoting formal sessions at which it can meet directly with provincial and local governments together. While these innovations have not been immediately and universally successful, they do demonstrate the very clear understanding that the local level of government is a necessary partner in the decision-making process when major public policies are being discussed and decided.

There are a number of obstacles in the way of full municipal participation in intergovernmental consultations with the two senior levels. Not the least of the difficulties is the constitutional status of the local level as a creation of the provincial level – and the resulting view that municipalities are subservient jurisdictions that have no legal right to be consulted.

Another factor making municipal participation in formal intergovernmental relations difficult is the sheer number of municipalities that exists. In all Canada there are about forty-five hundred municipalities and more than eight hundred in Ontario alone. As a result it has become necessary for municipal associations to speak on behalf of their member governments, and the legitimacy of such representation is often questioned. The large number of municipalities has led to another problem – that of getting a consensus on a particular issue. The variations among local governments in their size, their needs, and their sophistication is so great that it is almost impossible for them to come to agreement about policies or even for them to be brought together physically to attempt a reconciliation of views.

Yet despite these obstacles to their full participation in intergovernmental discussion, municipalities are playing a steadily growing role in this particular sphere of public activity. That they are doing so is ample proof of the growing recognition of the need to involve local governments (who, after all, must often be the front-line deliverers of service to the people) in the decisions about the nature and quantity of the services that they will be providing. Such consultations can only have a beneficial effect in helping all involved to understand better the implications of policy decisions and to anticipate practical administrative problems before they become obstacles to effective service to the public.

Federal and Provincial Influences on Metropolitan Toronto

Both the two senior levels of government have a clear and important impact on Metropolitan Toronto and on the effective provision of local services within it. The federal government, for example, is responsible for fiscal and monetary policy, for regulating trade and commerce, banking and immigration. How it performs in

discharging these responsibilities has a direct effect on the pressures for greater downtown development of commercial buildings, on employment and hence on welfare assistance needs, and on the number of new Canadians who live in the metropolis, bringing their needs for special language training in the schools and other related requirements. Even more specifically, the federal government is a major landholder in the Toronto area, controlling such important sites as the international airport, the Downsview and island airports, and the railway lands. In addition, federal government money is often the major factor in the financing of new housing, land acquisition, and housing conservation.

While the federal government has been involved actively in these areas for years, only with establishment of the Ministry of State for Urban Affairs in 1971 has there been formal recognition on the part of the federal government of the impact of federal responsibilities on urban communities. The capacity of the federal government to coordinate its constitutional responsibilities in urban areas is only just developing.

Of widespread concern is the apparent propensity of the federal government to use its rich financial resources to influence what are genuinely local matters. These intrusions of the federal government into local affairs represent a political and constitutional problem beyond the scope of this Commission's terms of reference. Nevertheless, they are worrisome because such interventions can seriously impair the rational development of communities. One example should suffice. The future use of the Downsview airport site provides a unique opportunity to shape Metro's development. To date, some portions of this site have been deemed surplus to federal needs, yet uncertainty remains regarding federal intentions. The possibility that the federal government might hold onto this site indefinitely, or impose its objectives on the future use of this site, is ominous. The Downsview land holding is an incomparable *local* resource for the Metropolitan community, and to squander the opportunities it presents would be a real tragedy for the residents of this area.

The province's role in urban affairs is more direct. From its constitutional responsibilities for municipal institutions, local works and undertakings, direct taxation, property and civil rights, and for matters of a local nature flow provincial responsibilities for local government, regional planning, administration of justice, housing, social services, health, transportation within the province, and environmental management.

So pervasive is provincial involvement in urban areas in Ontario that, not surprisingly, no one provincial ministry is entirely responsible. The Ministry of Treasury, Economics and Intergovernmental Affairs is in charge of local government organization, municipal finance, and regional development. The Ministry of Housing is responsible for planning approvals and housing programs. The Ministry of the Environment oversees sewage and water treatment and solid waste disposal, while the Ministry of Transportation and Communications administers road and transit subsidies and builds provincial highways which traverse urban areas.



The Ministry of Community and Social Services regulates and helps finance social services, the Ministry of Health regulates and helps finance public health and hospitals, and the Ministry of Natural Resources is responsible for and helps fund the conservation authorities. The Ministry of Education has extensive responsibilities for the school system, the Ministry of Culture and Recreation provides financial support to libraries and local recreation departments, and the Ministry of the Solicitor General, through the Ontario Police Commission, has considerable jurisdiction in municipal policing.

With such a variety of functions, the need for effective coordination of provincial policy and administration is obvious. The reorganization of the Government of Ontario that followed the recommendations of the Committee on Government Productivity in 1972 has provided a framework within which such coordination may take place. That it does not always do so, or always effectively, is perhaps understandable. Perfection in government structure is an elusive ideal. The province should be encouraged to continue to pursue this objective, recognizing that it has a great responsibility to ensure that the actions of its several ministries and commissions do not have conflicting impacts on municipal administrations, and that their actions, even when fully within provincial jurisdiction, do not have unforeseen and unfortunate implications for the local governments concerned.

Processes for Intergovernmental Consultation

The Government of Ontario has pioneered the development of intergovernmental processes to resolve provincial-municipal issues. Ontario's Provincial-Municipal Liaison Committee (PMLC), while only six years old, has evolved into an important forum for consultation between the province and the municipalities and has been used as a model elsewhere in Canada. The meetings of this committee are co-chaired by the Treasurer of Ontario and the chairman of the Municipal Liaison Committee. The latter body is composed of representatives of the three municipal associations in the province and of the Municipality of Metropolitan Toronto. The PMLC holds monthly meetings with an agenda and discussion papers exchanged in advance to facilitate debate and public understanding of the issues. Provincial cabinet ministers attend as necessary, depending on the agenda items. This committee and its subcommittees usually deal with issues of concern to Ontario's municipalities generally, and do not often address matters of specific concern only to Metropolitan Toronto or its constituent municipalities. Nevertheless, the commitment of Metro's political representatives and the contribution of Metro's officials to this consultative process over the years have been substantial reasons for its strength.

Occasionally, the federal Minister of State for Urban Affairs is invited to participate in these meetings, at which time the agenda is usually limited to issues of concern to all three levels of government, such as housing programs or railway relocation and grade separation projects.

Intergovernmental consultations such as these are augmented by numerous intergovernmental committees at the staff level to address specific problems. A wide range of ad hoc committees are formed as the need arises. In the Metropolitan Toronto region, for example, there have been tri-level working committees on the central waterfront, the downtown railway lands, the Toronto Island airport and the Toronto international airport. More generally, provincial-municipal working committees have been convened on such matters as fiscal arrangements and deconditionization of provincial transfer payments to municipalities. In addition to these processes of consultation, Metro and its constituent municipalities deal frequently with the province on their own, making good use of their physical proximity to Queen's Park.

Strengthening Intergovernmental Relations

Recommendations made elsewhere in this report may assist indirectly in strengthening both these established processes of intergovernmental relations and the informal intergovernmental contacts in which Metropolitan Toronto and its constituent municipalities are engaged. For example, one factor that frequently complicates intergovernmental relations is the fragmentation of responsibility at

the local level. The integration of local responsibilities under councils as recommended in chapter 6 should simplify intergovernmental consultation by reducing the number and range of participants and agencies to be consulted. The elimination of many provincial approvals and regulations with respect to Metro, and especially the changes in provincial conditional grants proposed in chapter 10, will help to clarify respective provincial and Metro responsibilities. These changes should also help avoid some of the costly and time-consuming delays in day-to-day decision-making. Similarly, the transfer from the province to Metro of some planning, housing, and social welfare responsibilities, as recommended elsewhere in this report, will clarify the respective roles of each level of government.

These proposed changes in roles of the two levels of government should help overcome a number of the minor irritants that are the subject of many current intergovernmental dealings. Implementing the changes should clear the table for consultations on more important matters of overall policy. In the Commission's view, the political leadership in Metro and the professional civil service that supports it are both of such a calibre that their more active participation in consultations with the province will bring substantial benefits to both levels.

The Interregional Context

One aspect of intergovernmental relations affecting Metro to which insufficient attention has been paid is its dealings with other regional governments and the province with regard to the problems of the Toronto region. Most people who live or work in Metropolitan Toronto know that it is the hub for a much larger network of urban centres strung along the north shore of Lake Ontario. In 1975, 3.6 million people (44 per cent of the province's population) resided within the boundaries of the regional municipalities of Hamilton-Wentworth, Halton, Peel, York, and Durham, and the Municipality of Metropolitan Toronto. Metro alone contains 27 per cent of Ontario's population.

In some ways the relationship of Metropolitan Toronto to the larger Toronto region resembles the relationship between the City of Toronto and the suburbs twenty-five years ago when the Metro system was created. The reliance of the population residing outside Metro's boundaries on employment and cultural opportunities within Metro, and conversely, the dependence of a significant portion of Metro's labour force on those regions for housing and recreation are two important features of this interdependence. Other characteristics of this region, however, were not found at all in the pattern of urbanization of a quarter of a century ago. The emergence of important secondary urban areas such as Oakville, Milton, and Ajax with their own employment-generating capacity is one distinguishing feature. Another is the scale of the urban network. Commuter rail transit combined with a well-developed inter-urban highway system and widespread car ownership make it possible for members of the same household to live in Brampton, work in Metro, and attend university in Hamilton.

The interdependence of Metropolitan Toronto and the larger urban region was recognized at the time of the establishment of the Metro system itself. In 1953 Metro was given planning jurisdiction not only for the area within its own boundaries but also for thirteen adjacent townships. By the mid-1960s urbanization had spilled over those boundaries as well, and a larger regional economy, centred on Metropolitan Toronto but sustained by secondary urban centres, was steadily taking shape. An early response to the needs of the emerging region was the establishment in 1967 of the GO Transit commuter rail and bus service. This was followed by a series of important provincial and joint provincial-municipal studies and plans aimed at defining the Toronto region, assessing growth-pattern alternatives, and recommending appropriate strategies to achieve the desired results. While these initiatives will be described more fully in chapter 11, they are mentioned here as an indication of the type of interregional matters that have been addressed and in which the governments under study in this report have a major role to play.

Governing the Toronto Region

Within the Toronto region in southern Ontario are six upper-tier local governments: the regional municipalities of Hamilton-Wentworth, Halton, Peel, York, and Durham, and the Municipality of Metropolitan Toronto. Each has important servicing and planning responsibilities. Within these jurisdictions, the constituent area municipalities exercise responsibility for land use and for a variety of other important local functions.

The province, too, has an important role in affecting land use, development, and settlement patterns. In addition to providing the legislative and regulatory framework within which the municipalities operate, the province has direct responsibility for such things as housing, regional development, and environmental management. All these have profound effects on the development of the region.

Several governmental bodies have been created to straddle the political boundaries of Metropolitan Toronto and its neighbouring regional municipalities. The oldest existing example of these is the Metropolitan Toronto and Region Conservation Authority, established in 1957, whose jurisdiction goes beyond Metro because the rivers and streams in the Metro watershed have their sources in the adjacent regional municipalities. More recently, in 1974, the Government of Ontario established the Toronto Area Transit Operating Authority (TATO) to provide transit services that cross regional boundaries. A few intermunicipal committees have been created to deal with specific problems. The Etobicoke-Mississauga Liaison Committee, for example, is concerned with transportation, servicing, and planning issues on the boundary between those municipalities.

Although bodies such as those mentioned above are frequently very effective in dealing with specific problems, there do not yet exist established processes for coordinating public responsibilities on a larger interregional scale. The significance of this lack is increasingly recognized as it becomes clear that planning and

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the provision of housing and physical services must now be considered in this wider regional context.

One fairly informal liaison body exists – the Toronto Centred Coordinating Committee. It is made up of the Treasurer of Ontario, who acts as chairman, the Metro Chairman, and the chairmen of the regional municipalities of Hamilton-Wentworth, Halton, Peel, York, and Durham. This committee meets from time to time at the call of the Treasurer, and has focused its attention on solving specific problems of an interregional nature, most notably the extension of water services. Recently there have been discussions about expanding this committee into a wider intergovernmental coordinating forum, and a staff committee has been struck to facilitate interregional consultation.

Governing a megalopolis is as yet an infant and imperfect science. At this stage, there does not seem to be an obvious way to address this challenge. Several countries are experimenting with various governmental approaches to urban regions, but the problems, present state of local political organization, and national political systems of these countries are so different from ours that none could be transferred directly, even if the same results were desired.

There appear to be four choices, the first three of which the Commission rejects.

First, the province could assume a much stronger role as a coordinating agency for the Toronto region. It could take over the planning powers of the regional municipalities, administer directly the Toronto Area Transit Operating Authority, develop housing targets for the Toronto region and enforce housing production, and strategically direct the development of the area. This approach has many drawbacks. The Commission doubts that the provincial government could manage growth in this region effectively and sensitively without the involvement of local governments with their broad consultative base and ability to obtain local commitment and cooperation.

Another option is to extend the boundaries of Metropolitan Toronto in an attempt to encompass the urbanizing region under one political jurisdiction. This, too, is unacceptable because government under these circumstances ceases to be "local." Conceivably, such a process of annexation would never end. A modification of this approach might be an extension only of Metro's planning jurisdiction beyond its boundaries, as was provided for under the former Metropolitan Toronto Planning Area. The resulting problems of political accountability and representation make this alternative equally unpalatable. The creation in the last seven years of six regional municipalities in the Toronto region makes it completely unacceptable.

The third possibility is to do nothing. The scenario under this option is ominous and disconcerting. On the one hand it is possible that nothing would be done to resolve emerging problems and the public welfare would suffer accordingly. On the other hand it is likely that there would be a proliferation of interregional special purpose bodies, of dubious accountability, to effect coordination and carry out functions of an interregional nature. In addition to the existing bodies for transit and conservation, one can imagine others for housing, solid waste disposal, and planning. Government by special purpose bodies brings with it many inherent problems, not the least of which is the propensity of such bodies to plan activities with only their own mandate in mind. Government by transportation planners, housing experts, or physical planners alone would only result in a poorly planned and integrated urban region, with inefficient and ineffective public services.

Toronto Region Coordinating Agency

The Commission is convinced that what is required is an open and continuing process within which all governments operating within the Toronto region can face their responsibilities to provide coherent, consistent, and strategic guidance to the development of this area. To facilitate such a process, a new kind of intergovernmental body for the Toronto region is necessary. Some structure is needed because the integrated development of the Toronto region is too important to be left to chance. A new body, created by provincial legislation, with modest statutory responsibilities, will permit the governments of the Toronto region to meet, discuss

respective goals and priorities, and coordinate workable implementation programs. It will provide an appropriate vehicle for the interregional and provincial-municipal interaction and cooperation required to resolve the important issues facing this region. It can also be the agent of the regional municipalities in the Toronto region and of the provincial government for coordinating existing and future interregional operating agencies. In the latter role, the Agency would be empowered to examine the budgets and plans of TATO and the six conservation authorities in the region and to make comments to the relevant provincial minister on the regional implications of these documents.

The Commission proposes that such a body be called the Toronto Region Coordinating Agency, and that it comprise political representatives chosen by the councils of the Municipality of Metropolitan Toronto and the regional municipalities of Hamilton-Wentworth, Halton, Peel, York, and Durham, as well as a minister of the provincial government designated to coordinate provincial activities in the Toronto region.

Recommendation 8.1: A Toronto Region Coordinating Agency be created by provincial legislation, with responsibility for facilitating the planning and development of the Toronto region and for providing such services and advice to the regional municipalities and the province as may be delegated to it by its participating governments.

Recommendation 8.2: Membership in the Toronto Region Coordinating Agency consist of representatives chosen by the councils of the regional municipalities in the Toronto region and Metropolitan Toronto, and the provincial minister designated with responsibility for the Toronto region.

Recommendation 8.3: The Toronto Region Coordinating Agency be empowered to examine and comment on the budgets and plans of the existing operating bodies of a regional nature, the Toronto Area Transit Operating Authority and the conservation authorities.

It is not the Commission's task to recommend detailed terms of reference for the Toronto Region Coordinating Agency, nor to specify in other than the broadest terms the membership of such a body. Suggestions are contained in subsequent chapters of this report about appropriate areas to which the Agency's attention should be directed. The Commission expects that the role of the Agency will evolve according to the requirements of the participating governments and the needs of the Toronto region. This is as it should be, because the body is intended to be an agent of these governments, addressing problems which they cannot tackle individually.

At the outset, the Toronto Region Coordinating Agency could be the forum for interregional and provincial-municipal consultation prior to approval of the official

plans of Metro and the regional municipalities, within the context of the anticipated evolving provincial strategy for the Toronto region. If issues are discussed that have a direct bearing on particular lower-tier municipalities in the Toronto region, then representatives from those jurisdictions should be present. In addition, federal representations could be invited from time to time as appropriate.

Secretarial and professional support should be provided to the Agency in any manner deemed appropriate by the participants. One possibility is to rotate responsibility for secretarial support among the participating governments and to strike intergovernmental staff working committees as necessary.

Two characteristics are crucial for the success of such an agency. First, it must be a continuing forum which meets regularly. And second, proceedings must be open to the public so that information is widely shared among the participating governments and the electorate can assess the process.

Although the recommendations are in no way intended to herald the birth of yet another level of government, the establishment of the suggested Agency could be the first step toward achieving the goal of greater coherence in public policy in the Toronto region. The process will be a continuing one. It is particularly important, therefore, that the first step be taken carefully and soon.

Boundaries

In chapter 4 the Commission recommended that the external boundaries of Metropolitan Toronto remain the same but that a significant realignment of the area municipal boundaries be undertaken. This chapter explains how the new boundaries were selected, and provides detailed statistical information on the implications of these proposed changes.

External Boundaries

In the Commission's judgment, the external boundaries of Metropolitan Toronto should remain unchanged. The reasons are provided in chapter 1. Although the Commission rejected major alterations to the external boundaries, it did consider the possibility of adjusting these boundaries slightly in order to alleviate some servicing problems on the periphery of Metro. It was suggested to the Commission, for example, that the western boundary of Metro be extended to encompass entirely the Toronto international airport, and that the northern boundary be extended slightly to ensure that residential growth spilling over Steeles Avenue be appropriately integrated with the residential area to the south with which it shares a community of interest.

The Commission is persuaded that the present external boundaries of Metro are sensible. Minor boundary adjustments will not solve development and servicing problems on the periphery of Metro; such problems will arise wherever the political boundary is established. Solving these issues is a challenge to be faced by the planning jurisdictions in the Toronto region, and it is this kind of problem that the regional governments were intended to address when provision was made for them to be given power to approve local official plans. The establishment of the Toronto Region Coordinating Agency recommended in chapter 8 should facilitate the intergovernmental cooperation required in such cases.

During the life of the Commission a significant change was made with respect to the southern boundary of Metropolitan Toronto. An amendment to The Territorial Division Act extended the southern boundary of the area municipalities fronting Lake Ontario to the international boundary, thus giving those municipalities jurisdiction over landfill and other lakeshore activities.

Internal Boundaries

The Commission's reasoning in recommending the retention of six area municipalities in Metropolitan Toronto, with a significant expansion of the two smallest boroughs, is detailed in chapter 4, and will only be briefly summarized here. In the Commission's judgment, each area municipality requires a minimum population of 200,000, and a corresponding financial base, to carry out effectively the major responsibilities recommended for the area municipal level in Metropolitan Toronto. To achieve this objective, there must be some equalization of population among the

six area municipalities. Greater equalization is also necessary if representation by population on Metro Council is to be attained while keeping the size of the council to a workable level. Because the well-being of the City of Toronto is essential to the well-being of Metro, the Commission seeks to preserve on Metro Council the political strength of the City relative to the boroughs. This necessity of preserving the central part of Metro is of sufficient importance to warrant retaining the City's population strength.

In addition to these objectives, the boundaries of the area municipalities should also be adjusted to reduce the anomalies and service problems that exist under the present boundaries. Figure 9.1 demonstrates that the current area municipal boundaries are the result of annexations and amalgamations of townships, villages, and towns over the years. Some of these boundaries have a long history, and many weave irregularly through neighbourhoods, sometimes through individual properties, often artificially dissecting local streets. There are several areas within Metro where property owners pay taxes to two area municipalities, or obtain hydro services from one and water services from another. Small parcels of land from one municipality jutting into another have resulted in incompatible land uses and zoning, and several awkward servicing problems.

In the Commission's opinion many of the present internal boundaries in Metro simply no longer make much sense. While recognizing the attachment some may have to these historic divisions, the Commission nevertheless is convinced that the time has come to rationalize the area municipal boundaries.

In choosing a new set of boundaries for Metro's area municipalities the Commission has applied the following criteria:

New boundaries should be aligned along naturally divisive topographic features.

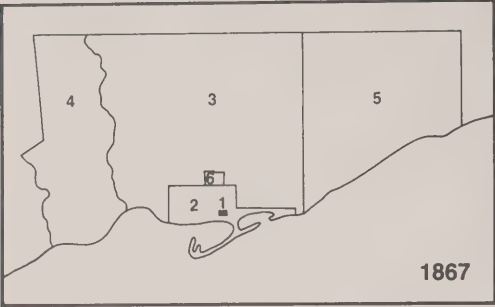
The best boundaries for political jurisdictions are those that are aligned with visible topographic features that act as "natural barriers." In urban areas, naturally divisive topographic features are rivers or creeks, major linear facilities such as hydro rights-of-way or railway tracks, highways and expressways. The Commission therefore has attempted to select alignments for the new municipal boundaries that correspond to natural barriers in the urban community.

New boundaries should allow existing communities to remain intact.

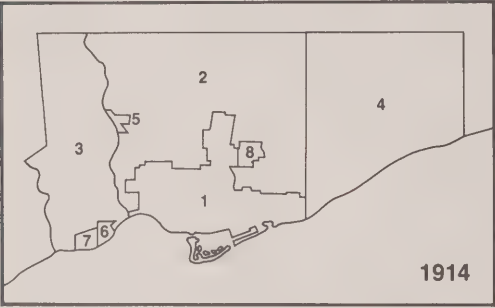
One of the great strengths of Metropolitan Toronto is the vitality of its neighbourhoods and the sense of attachment and commitment Metro's residents generally have to their local communities. People influence the characteristics of their neighbourhoods through the local political process, so it is important to preserve existing communities in any realignment of political boundaries.

Transfers of population from one municipality to another should be accompanied by a corresponding transfer of assessment.

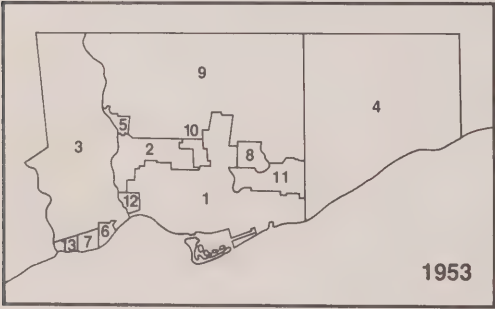
Figure 9.1: Area Municipal Boundaries 1867-1967



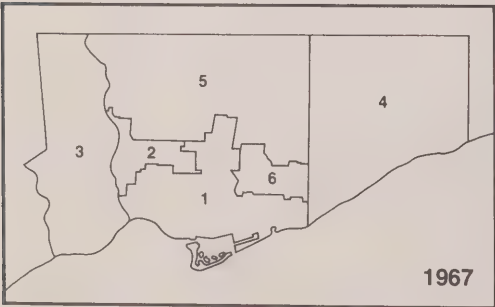
- 1 Original Townsite (1793)
- 2 City of Toronto (1834)
- 3 Township of York (1850)
- 4 Township of Etobicoke (1850)
- 5 Township of Scarborough (1850)
- 6 Village of Yorkville (1853)



- 1 City of Toronto
- 2 Township of York
- 3 Township of Etobicoke
- 4 Township of Scarborough
- 5 Village of Weston (1881)
- 6 Village of Mimico (1911)
- 7 Village of New Toronto (1913)
- 8 Town of Leaside (1913)



- 1 City of Toronto
- 2 Township of York
- 3 Township of Etobicoke
- 4 Township of Scarborough
- 5 Town of Weston
- 6 Town of Mimico
- 7 Town of New Toronto
- 8 Town of Leaside
- 9 Township of North York (1922)
- 10 Village of Forest Hill (1923)
- 11 Township of East York (1924)
- 12 Village of Swansea (1925)
- 13 Village of Long Branch (1930)



- 1 City of Toronto
- 2 Borough of York
- 3 Borough of Etobicoke
- 4 Borough of Scarborough
- 5 Borough of North York
- 6 Borough of East York

Figure 9.2: Property Tax Dollar Distribution: The Metro System, 1975**Property Tax Dollar**

Metropolitan Levy		76.1 cents	General Local Levy and Other Local Charges 23.9 cents
Made up of the education levy		48.5 cents	
and the Metropolitan general levy		27.6 cents	

SOURCE: Treasury Department, Municipality of Metropolitan Toronto

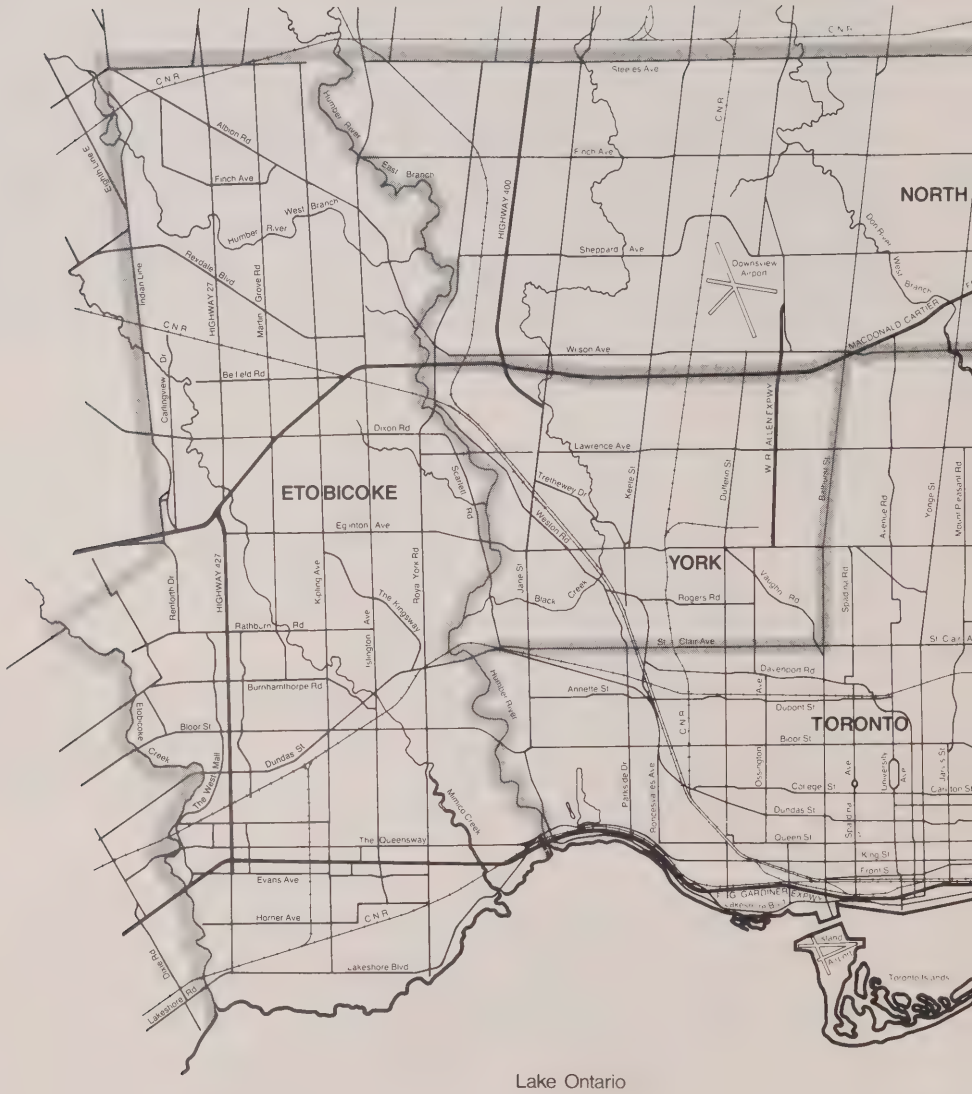
Under the current distribution of responsibilities between the Metro level and the area municipalities, about three-quarters of the property tax revenues collected in Metro are spent on Metropolitan-wide services. This is because many costly services (such as policing, transportation, and social services) are Metropolitan responsibilities, while education is financed from an equalized education levy which is imposed in the same manner as the Metropolitan levy.* Figure 9.2 illustrates this distribution of the property tax dollar.

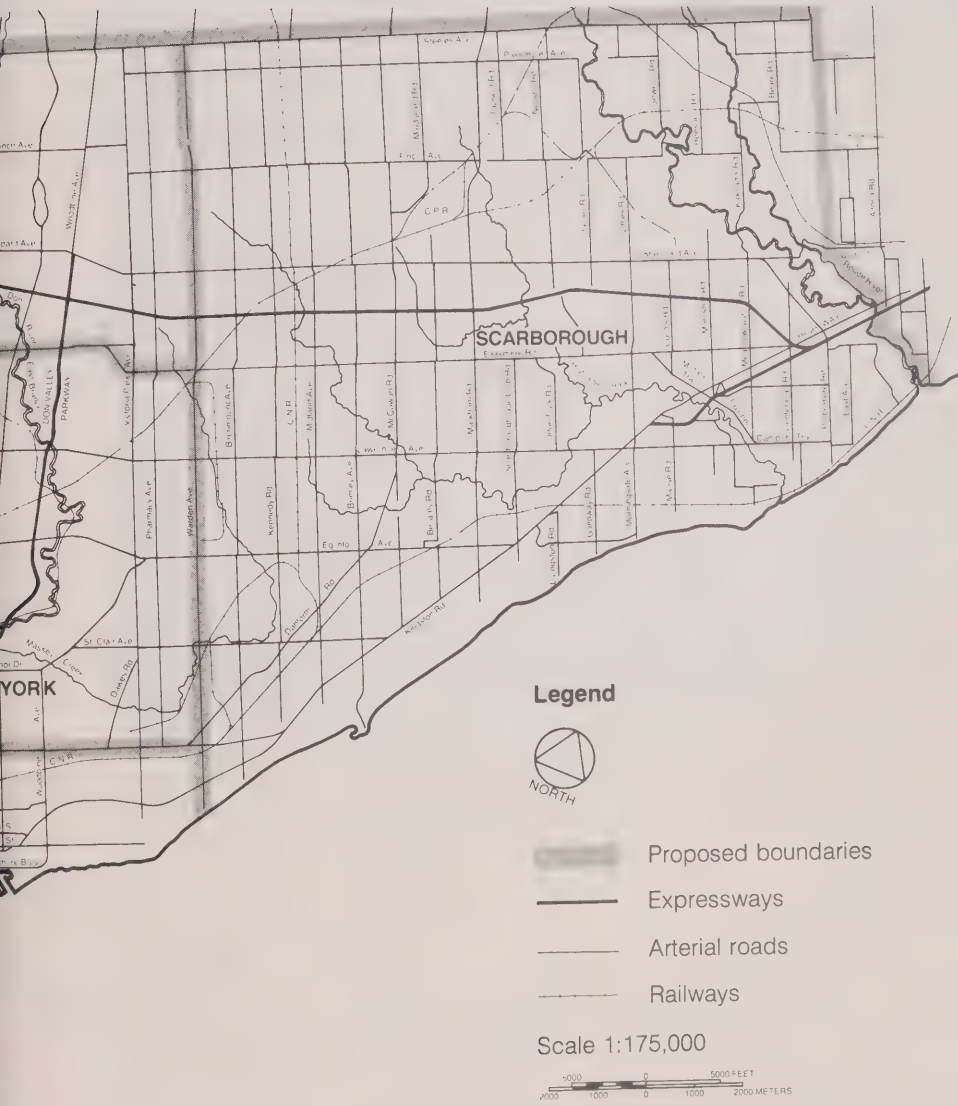
If the Commission's recommendations regarding the allocation of responsibilities between the Metro level and the area municipalities are accepted, approximately three-quarters of municipal property tax revenues will continue to be equalized across Metro. This means that for approximately 75 per cent of the property taxes levied on Metro's taxpayers, internal boundaries are of no financial significance.

It would be false to conclude from the foregoing that the relative distribution of assessment among the area municipalities is not important. On the contrary, it must be considered carefully because on average more than 90 per cent of expenditures at this level are financed from the property tax. In particular, the Commission has attempted through boundary adjustments to improve the assessment base of those area municipalities in Metro that are poor in assessment relative to their populations. Nevertheless, the relative distribution of assessment is not as crucial to the determination of municipal boundaries as it once was, particularly before

* For an explanation of how the Metropolitan levy is allocated among the area municipalities, see Jarrett, Gould and Elliott, *A Financial Profile of Metropolitan Toronto and Its Constituent Municipalities* (Toronto: The Royal Commission on Metropolitan Toronto, 1974), pp. 21-25.

Map 9.1: Proposed Boundaries





1967, when more of the education expenditure was financed at the area municipal level.

New boundaries should not render unworkable the service areas of permanent physical facilities.

Any changes in the boundaries of the area municipalities will have implications for the service areas of their permanent physical facilities. Such facilities include schools, community centres, libraries, hydro stations, major works yards, and fire stations.

In chapter 5 the Commission recommended that the boundaries for school boards be coterminous with area municipal boundaries. Since it is advisable whenever possible to avoid situations where a child's closest elementary school lies in another municipality, elementary school attendance areas should be considered in choosing municipal boundaries. To some extent this problem can be overcome by choosing naturally divisive features such as expressways or rivers as political boundaries. The matter of school attendance areas is less troublesome at the secondary school level, because those students may attend school anywhere in Metro if there is room to accommodate them.

Another major investment at the local level is fire stations. Shifts in area municipal boundaries may cut off a fire hall from part of the service district for which it was originally built. This should be avoided wherever possible. In chapter 15, however, the Commission suggests that while the provision of fire services should remain an area municipal responsibility, areas should be serviced by the closest fire station, regardless of internal boundaries.

Hydro distribution systems will have to be reorganized somewhat if the Commission's boundary recommendations are accepted, and if the retailing of hydro remains an area municipality responsibility as recommended in chapter 14. Where local boundaries currently create problems in maintaining local distribution systems for water, drainage, and sewage, intermunicipal agreements have been worked out, and similar agreements can be negotiated in the future if the Commission's boundary recommendations are accepted.

The Proposed Boundaries

Map 9.1 illustrates the boundaries recommended for the six area municipalities of Metropolitan Toronto. This set of boundaries, in the Commission's judgment, satisfies best the requirements for boundary adjustments described above. In devising a new set of internal boundaries, the Commission has had the benefit of 1976 population statistics and 1975 market value assessments, both broken down into small geographic areas similar to neighbourhood blocks. The Commission is grateful to the Ontario Ministry of Revenue, Assessment Division, for making these data available.



All properties in Ontario are currently being reassessed at market value, and these new assessments will constitute the bases for property taxation in the future. The Commission therefore has chosen to analyse the financial implications of its boundary recommendations using market values only. Assessed values for properties currently tax exempt were excluded from the analysis in this chapter because of uncertainty at the time of writing as to how this class of properties will be treated when the market value system is implemented.

The proposed boundaries achieve the Commission's objective of distributing Metro's population more evenly among the six area municipalities, while ensuring that the boroughs of York and East York attain what the Commission judges to be a minimum population base for the area municipal level within Metro. The comparison of 1976 population under the present and proposed municipalities appears in Table 9.1, and the relative distribution of population among the area municipalities is presented in Table 9.2.

Table 9.1: Population of Area Municipalities under Present and Proposed Boundaries, 1976

	Present municipality	Proposed municipality	Numerical variation	% variation
Toronto	678,103	672,500	-5,603	-.83
North York	558,067	418,187	-139,880	-25.07
Scarborough	380,931	304,997	-75,934	-19.93
Etobicoke	293,464	293,464	—	—
York	139,612	221,722	82,110	58.81
East York	104,102	243,409	139,307	133.82
Total	2,154,279	2,154,279		

Table 9.2: Relative Distribution of Population within Metro under Present and Proposed Boundaries, 1976

	Present municipality % of total	Proposed municipality % of total
Toronto	31	31
North York	26	20
Scarborough	18	14
Etobicoke	14	14
York	6	10
East York	5	11

The boundaries chosen by the Commission are aligned along natural barriers. In several areas the Commission was able to utilize clearly divisive topographic features such as the Humber River and a stretch of Highway 401. In other cases Metropolitan roads appeared to be the only feasible options for boundary alignments which would also satisfy the other criteria for boundary adjustments. Metropolitan roads are not always as good as other features because, unlike rivers or railway tracks, they frequently attract commercial and other development that serves as a focus for a community. This means that each side of the same street may be subject to different by-laws, standards of service, and so on. Nevertheless, Metropolitan roads are simpler and more easily understood boundaries than the current irregular alignments that weave in and out of backyards and through local streets.

Because the Commission has chosen natural boundaries, the proposed set of political boundaries keeps most local communities intact within one area municipality. Maps 9.2 to 9.5 indicate the boundaries of community ratepayer associations as these organizations perceive them. Although mapping com-

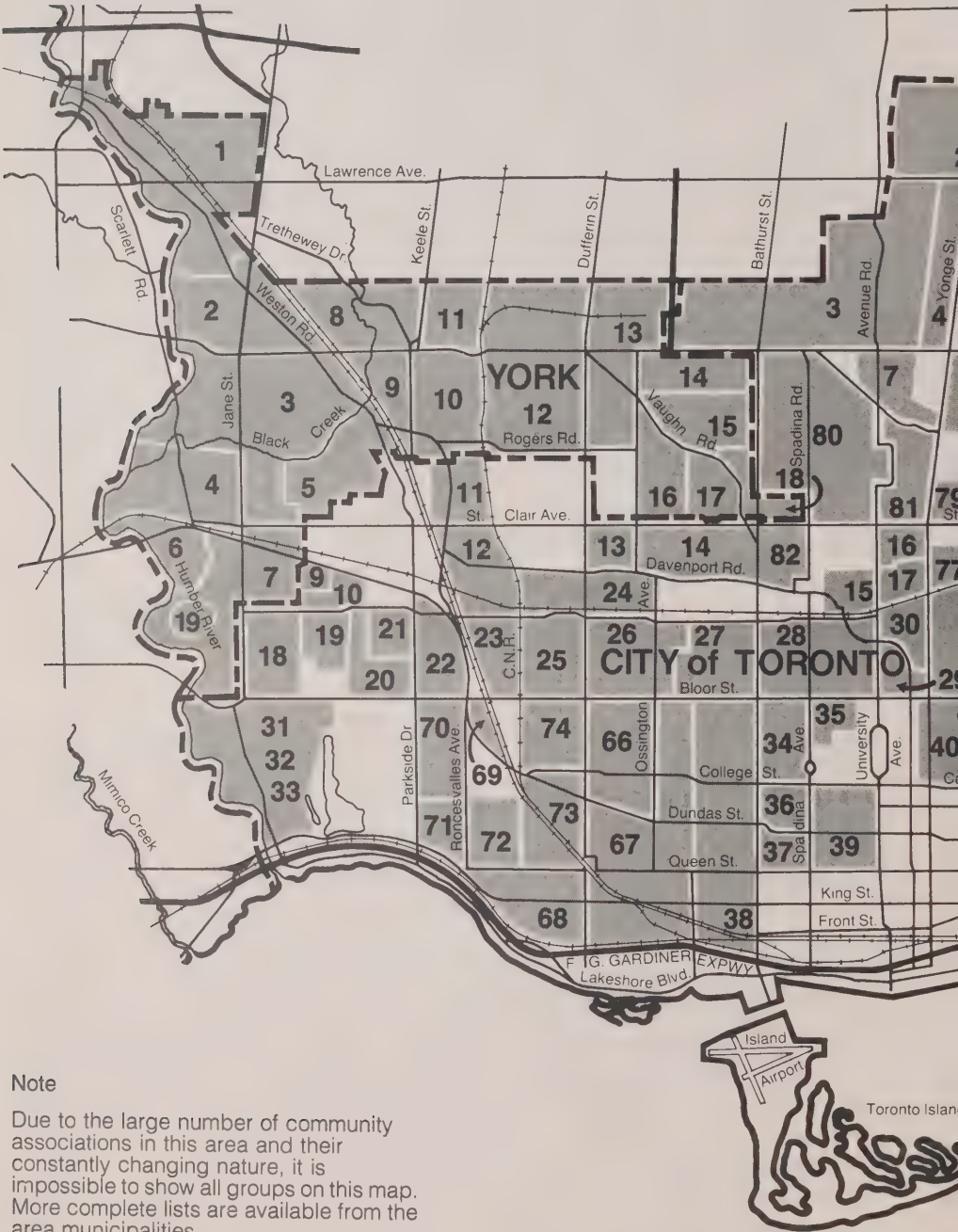
Table 9.3: Assessment under Present and Proposed Boundaries (1975 Market Value)

Residential assessment	Present municipality	Proposed municipality	Numerical variation	% variation
Toronto	\$ 9,903,816,533	\$10,372,915,622	\$ 469,099,089	4.74
North York	9,205,633,611	6,749,437,771	-2,456,195,840	-26.68
Scarborough	5,996,015,532	4,810,178,874	-1,185,836,658	-19.78
Etobicoke	5,280,506,414	5,280,506,414	—	—
York	1,873,879,998	2,974,449,213	1,100,569,215	58.73
East York	1,581,193,952	3,653,558,146	2,072,364,194	131.06
Total	\$33,841,046,040	\$33,841,046,040		
Commercial/ industrial assessment				
Toronto	\$ 4,224,827,806	\$ 4,152,030,436	\$ -72,797,370	-1.72
North York	2,042,448,895	1,284,164,111	-758,284,784	-37.13
Scarborough	1,102,881,861	935,604,227	-167,277,634	-15.17
Etobicoke	1,649,076,925	1,649,076,925	—	—
York	329,365,572	786,982,068	457,616,496	17.49
East York	253,529,144	794,272,436	590,743,292	233.01
Total	\$ 9,602,130,203	\$ 9,602,130,203		
Total taxable assessment				
Toronto	\$14,128,644,339	\$14,524,946,058	\$ 396,301,719	3.0
North York	11,248,082,506	8,033,601,882	-3,214,480,624	-29.0
Scarborough	7,098,897,393	5,745,783,101	-1,353,114,292	-19.0
Etobicoke	6,929,583,339	6,929,583,339	—	—
York	2,203,245,570	3,761,431,281	1,558,185,711	71.0
East York	1,834,723,096	4,447,830,582	2,613,107,486	142.0
Total	\$43,443,176,243	\$43,443,176,243		

munities is necessarily an inexact science, the Commission used these delineations to guide it in boundary selection. Not surprisingly, the naturally divisive topographic features in Metro form natural dividing lines for communities. Metropolitan arterial roads also divide communities, although in some instances perceived communities straddle these boundaries.

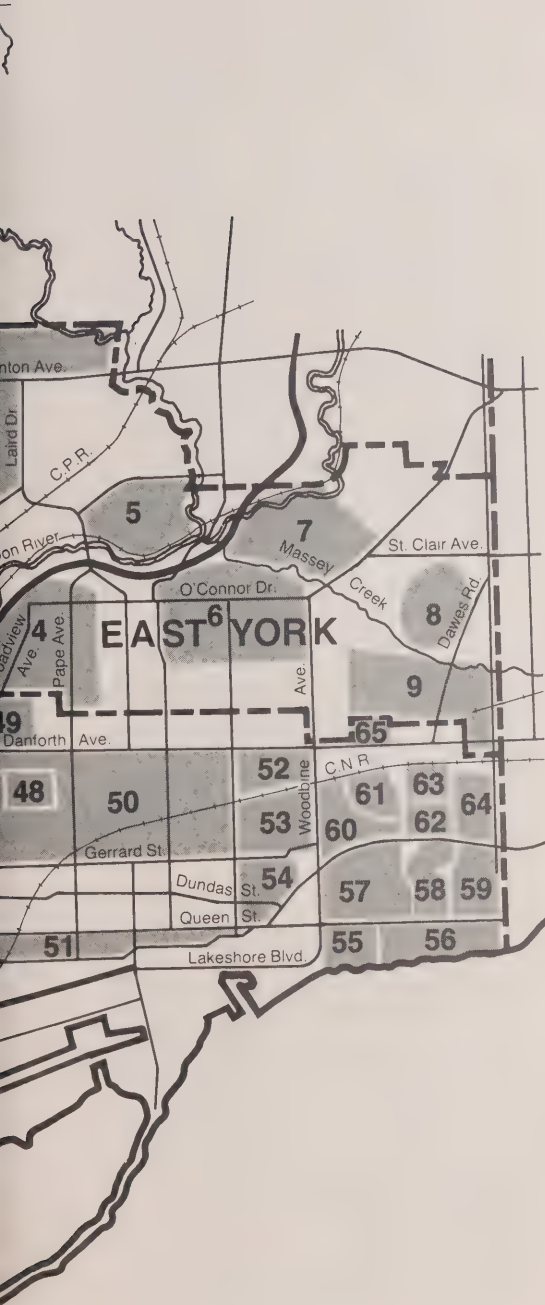
Because one of the objectives of the Commission is to ensure that any transfer of population from one area municipality to another is accompanied by a corresponding financial base, considerable time was devoted to analysing the assess-

Map 9.2: Boundaries of Community Associations in Toronto, York, and East York



Note

Due to the large number of community associations in this area and their constantly changing nature, it is impossible to show all groups on this map. More complete lists are available from the area municipalities.



City of Toronto Community Associations

1. Teddington Park Ratepayers Association
2. Bedford Park Residents Association
3. Lytton Park Residents Association
4. North Toronto Amalgamated Ratepayers Association
5. Lawrence Park Ratepayers Association
6. Sherwood Park Ratepayers Association
7. Oriole Park Ratepayers Association
8. South Eglinton Ratepayers and Residents Association
9. Maltese Community
10. Annette Residents Association
11. Silverthorn and District Residents Association
12. Davenport West Residents Association
13. Oakwood Escarpment Residents Association
14. Hillcrest Neighbourhood Resources
15. Rathnally Area Residents Association
16. Deer Park South Residents Association
17. Cottingham Square Community Association
18. Runnymede/Jane Homeowners Association
19. Humberside Residents Association
20. Quebec/Gothic Residents and Tenants Association
21. Bloor/High Park Residents Association
22. South of the Junction Neighbourhood Association
23. Junction Triangle Working Group
24. Dufferin-Davenport Residents Association
25. Wallace-Emerson Neighbourhood Residents Association
26. Dovercourt Park Area Residents Association
27. Vermont Square
28. Annex Residents Association
29. Yorkville Triangle
30. Avenue-Bay-Cottingham Ratepayers Association
31. Swansea Area Ratepayers
32. Swansea Community Association
33. Swansea Mews Tenants
34. Sussex-Ulster Residents Association
35. Kensington Neighbourhood Improvement Steering Committee
36. South-East Spadina Steering Committee
37. Alexandra Park Residents Association

38. Niagara Residents Association
39. South-East Spadina Steering Committee
40. North Jarvis Community Association
41. St. Jamestown
42. South of St. Jamestown Residents Association
43. Don Vale Property Owners Association
44. South of Carlton Community Association
45. Regent Park Community Improvement Association
46. Moss Park Residents Association
47. South Cabbagetown Residents Association
48. Bain Apartments Tenants Association
49. Playter Area Residents Association
50. Greater Riverdale Organization
51. BREMM (Burkeshire, Rushbrook, Eastern, Marigold and Mosley Avenues)
52. Earl Haig Community Association
53. Bowmore Community Association
54. Edgewood Community Association
55. Kew Beach Residents Association
56. "The Beaches" Community Association
57. Williamson-Glen Ames Community Association
58. Glen Manor Residents Association
59. Balmy Beach Community Association
60. Norway Residents Association
61. Benlamond Community Association
62. Kimberley Residents Association
63. East Gerrard Residents and Tenants Association
64. Adam Beck Community Association
65. Main Square Tenants and Residents Association
66. Ward 4 Homeowners Association
67. Ward 4 Community Organization
68. Ward 2 Property Owners Association
69. South Perth Avenue Residents Association
70. High Park Homeowners & Residents Association
71. Sunnyside Ratepayers Association
72. Roncesvalles-Macdonell Residents Association
73. Lansdowne Neighbourhood Committee
74. North East Ward 2 Residents Association
75. South Rosedale Ratepayers Association
76. North Rosedale Ratepayers Association
77. Summerhill Residents Association
78. Moore Park Ratepayers Association
79. Heath-Alvin Residents Association

80. Forest Hill Residents Association
81. Deer Park North Residents Association
82. Casa Loma-Wells Hill Ratepayers Association
83. Toronto Island Residents Association

East York Community Associations

1. Leaside Property Owners Association
2. Leaside-Bennington Heights Ratepayers Association
3. Governor's Bridge Ratepayers Association
4. East York Ward 3 Ratepayers & Tenants Association
5. Thorncliffe Park Community Organization
6. Collegiate Community Ratepayers Association
7. Parkview Hill Ratepayers Association
8. Woodbine Gardens & Morningside Park Ratepayers Association
9. Secord District Ratepayers & Residents Association

York Community Associations

1. Weston Residents & Ratepayers Association
2. North East-Mount Denis Ratepayers Association
3. Owner and Tenant Ratepayers Association
4. Jane Park Ratepayers Association
5. Harwood Ratepayers Association
7. Warren Park Ratepayers Association
6. Old Millside Residents Association
8. Greenhills Ratepayers Association
9. Keelesdale Ratepayers Association
10. Silverthorn Ratepayers Association
11. Beechborough Ratepayers Association
12. West Fairbank Ratepayers Association
13. Ward Three Residents Association
14. Ward One Ratepayers Association
15. Cedarvale Ratepayers Association
16. Oak-Vaughan Ratepayers Association
17. Humewood Ratepayers Association
18. Vaughan Area Ratepayers Association
19. Old Millside Residents Association

North York Community Associations

1. Forgotten Corners Ratepayers Association
2. St. Gaspar Ratepayers Association
3. Duncan Woods Tenants Association
4. Rivalda Heights Ratepayers Association

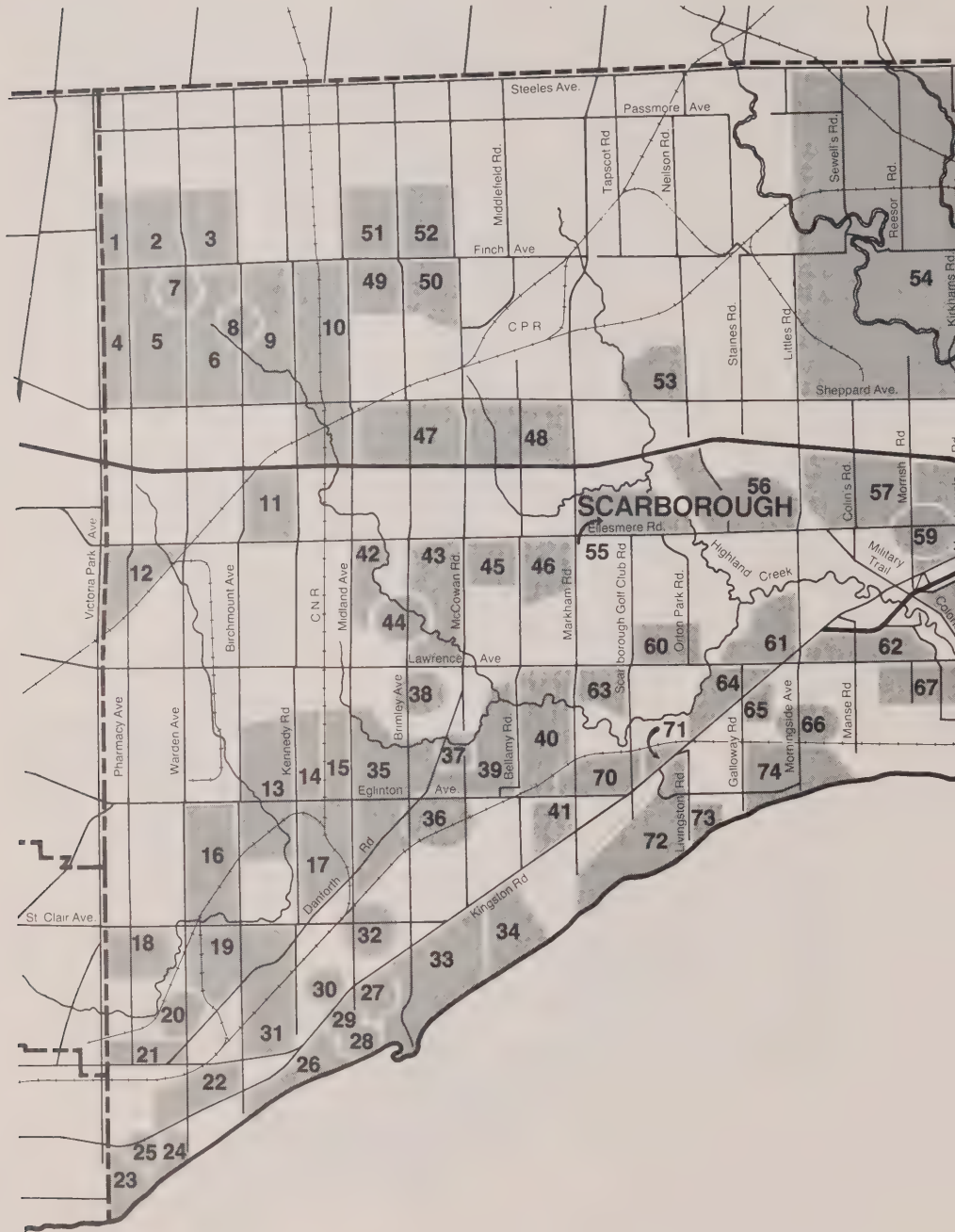
5. Yorktowne Estates Homeowners Association
6. Yorktowne Estates Residents Association
7. Edgely Village Tenants Association
8. York Condominium Corp. #17
9. University Village Ratepayers Association
10. University City Community Association
11. Yorkview Community Committee
12. Jane-Firgrove Residents Association
13. Glenfield Sports Club & Community Association
14. York Condominium Corp. #123
15. Oakdale Acres Ratepayers Association
16. Pelmo Park Community Association
17. Maple Leaf Ratepayers Association
18. Ancaster Ratepayers Association
19. Yorkdale Ratepayers Association
20. Lawrence Heights Residents Association
21. The New Lawrence Heights Tenants Association
22. Royal Park Ratepayers Association
23. Ramee, Sultana, Regina Ratepayers Association
24. Playfair Avenue and District Ratepayers Association
25. Marlee Community Ratepayers Association
26. Armour Gardens Community Association
27. Clanton Park Community Association
28. Bathurst-Sheppard Community Association
29. Bathurst Village Community Association
30. York Condominium Corp. #15
31. Ancona Park Residents Association
32. Senlac-Grantbrook Community Association
33. Finch-Horsham Community Association
34. Edita Vale-Yonge Community Association
35. Bathurst Summit Ratepayers Association
36. South Ward 9 Ratepayers Association
37. Armour Heights Community Association
38. Old Orchard Grove Ratepayers Association
39. Bannockburn Ratepayers Association
40. Bathurst Glen Residents Association
41. Bedford Park Ratepayers Association
42. South Armour Heights Ratepayers Association
43. York Mills Heights Ratepayers Association
44. York Mills Valley Association
45. Yonge Ridge Homeowners Association
46. Old Yonge Estates Ratepayers Association
47. York Mills Ratepayers Association
48. Yorkminster & St. Andrews Community Association
49. Avondale Community Association
50. Willowdale Central Ratepayers Association
51. Bayview-Sheppard Ratepayers Group
52. Newtonbrook East Ratepayers Association
53. Silverview Homeowners Association
54. Riseborough Homeowners Association
55. Steeles Heights Community Inc. Association
56. Bayview Wood Association Inc.
57. Bayview Village Ratepayers Association
58. Bridlebrook Park Homeowners Association
59. Bayview-Silverhill Community Association
60. Windfield's Community Association
61. Don Mills Residents Association
62. Bayview Heights Residents Association
63. Glenorchy Homeowners Association
64. Mildenhall Area Ratepayers Association
65. Lawrence Park-Bayview Ratepayers Association
66. Lawrence Park Ratepayers Association
67. Flemingdon Community Council
68. York Condominium Corp. #43
69. Bartley Drive Ratepayers Association
70. Victoria Village Community Association
71. O'Connor Hill Ratepayers Association
72. Ranchdale Annunciation Association
73. Parkwood-Rayork Tenants Association
74. York Condominium Corp. #50
75. Pleasantview Community Association
76. Patrick Area Community Association
77. Muirhead Area Residents Association
78. Fairdale Ratepayers Association
79. Cherokee Residents Association
80. Seneca Hill Homeowners Association
81. Dallington Home School and Community Association
82. Lescon Home School and Community Association
83. Crestview Homeowners Association
84. Hillcrest Village Community Association
85. Eastview Community Association
86. York Condominium Corp. #12


Map 9.3: Boundaries of Community Associations in Etobicoke



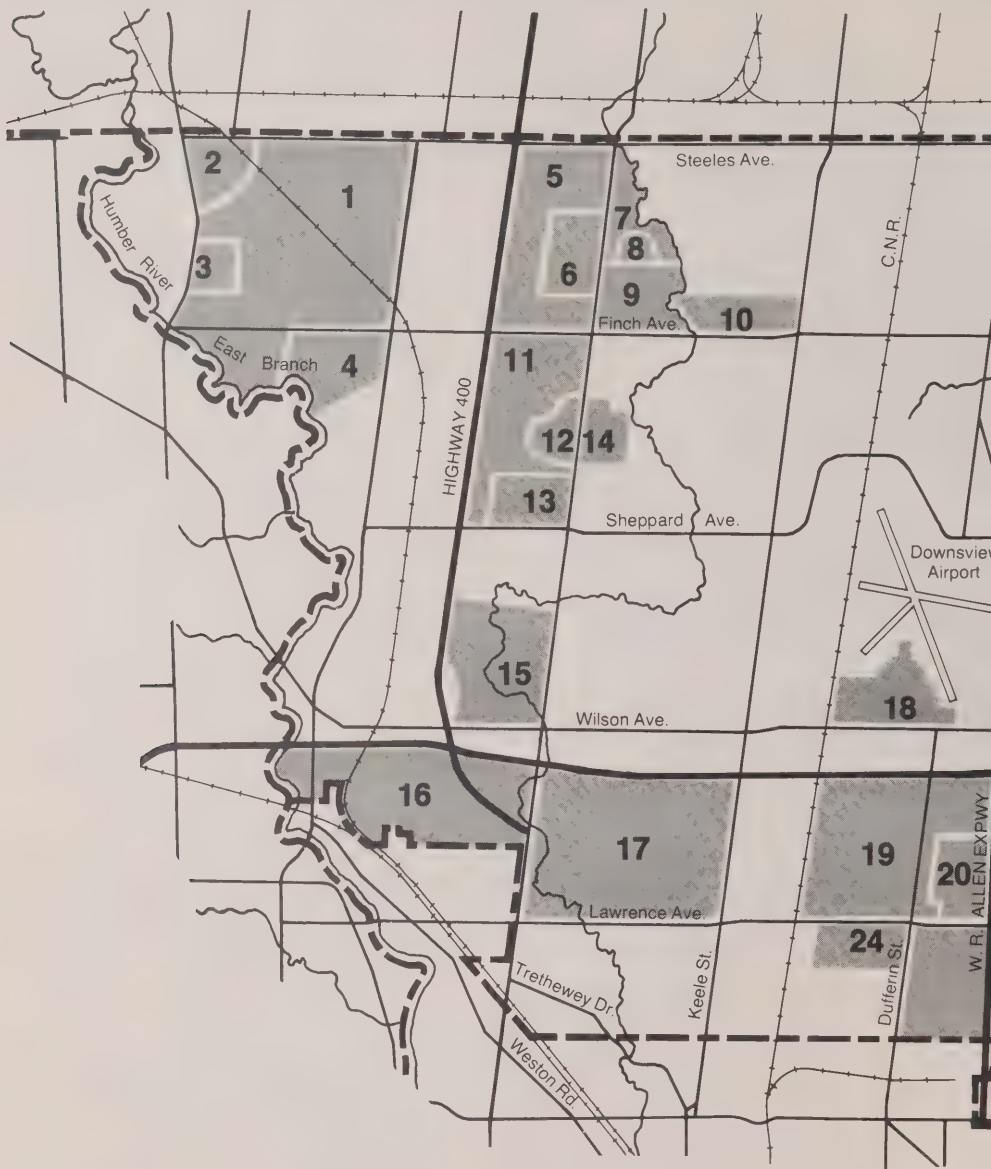
1. Thistle town Regional Residents Association
2. Westhumber Homeowners Association
3. Elms Rexdale Community Association
4. Kingsview Village Ratepayers Association
5. Fairhaven-Golfwood Heights Association
6. Richview Dixon Ratepayers Association
7. Westway Village Ratepayers Association
8. Royal York Community Association
9. Westmount Park Road Homeowners Association
10. Chapman Valley Association
11. Princess Anne Homeowners Association
12. Centennial Community Association, Area 1
13. Centennial Community Association, Area 2
14. Centennial Community Association, Area 3
15. Markland Homes Association
16. Bloordale Gardens Homeowners
17. Glen-Agar Thorncrest Ratepayers Association
18. Islington Ratepayers & Residents Association
19. Humber Valley Village Ratepayers Association
20. Edenvale Ratepayers Association
21. North Drive and District Property Owners
22. Kingsway Park Ratepayers
23. West Kingsway Ratepayers Association
24. Stonegate Community Association
25. Lakeshore Ratepayers & Residents Association, Community 4
26. Lakeshore Ratepayers & Residents Association, Community 3
27. Lakeshore Ratepayers & Residents Association, Community 2
28. Lakeshore Ratepayers & Residents Association, Community 1
29. Lakefront Owners Association (boundaries encompassing 25-28)

Map 9.4: Boundaries of Community Associations in Scarborough



- 
1. Chester Blvd. Community Association
 2. Beverly Glen Community Association
 3. Lamoureux Community Association
 4. Corinthian Community Association
 5. Bridlewood Community Association
 6. S. Leacock Homeowners Association
 7. York Condominium Corp. #94
 8. York Condominium Corp. #44
 9. Highland Heights Community Association
 10. Kennedy-Midland-Agincourt Community Association
 11. Glamorgan Community Association
 12. Maryvale Community Association
 13. Ionview Community Association
 14. Treverton Park Community Association
 15. Kitchener Park Community Association
 16. Birchmount Heights and Park Ratepayers Association
 17. Corvette Community Association
 18. Presley Heights Homeowners Association
 19. Kennedy Warden Community Association
 20. Warden Woods Community Association
 21. Danforth Businessmen's Committee
 22. Birchcliff Community Association
 23. Scarborough Beaches Community Association
 24. Fallingbrook Ratepayers Association
 25. Blantyre Fallingbrook Community Association
 26. Birchcliff 3 Ratepayers Association
 27. Cliffside Community Association
 28. Scarborough Bluffers Community Association
 29. Cliffside Village Businessmen's Association
 30. Sandown Ratepayers Association
 31. Highview Heights Community Association
 32. John A. Leslie Ratepayers Association
 33. Cliffcrest Homeowners Association
 34. Lakewood Heights Community Association
 35. Cedarbrae Community Association
 36. Horton Park Ratepayers Association
 37. Pringdale Gardens Homeowners Association
 38. South Bendale Ratepayers Association
 39. Brinhaven Community Association
 40. South Cedarbrae Community Association
 41. Scarborough Centre Property Owners Association
 42. Midland Park Residents Association
 43. Glen Andrew Community Association
 44. Donwood Park Community Association
 45. North Bendale Community Association
 46. Woburn Community Association
 47. C. D. Farquharson Community Association
 48. White Haven Community Association
 49. Chartland Community School Association
 50. Iroquois Community Association
 51. Rosewood Community Association
 52. Brimley Forest Community Association
 53. Malvern Residents Association
 54. Hillside Community Association
 55. Woburn Oaks Community Association
 56. Seven Oaks Community Association
 57. West Highland Creek Community Association
 58. East Highland Creek Residents Association
 59. Highland Creek Community Association
 60. Curran Hall Park Community Association
 61. West Hill St. Margarets Community Association
 62. West Hill 2 Community Association
 63. Cornell Ratepayers Association
 64. West Hill Neighbourhood 3 Homeowners Association
 65. Galloway Community Council
 66. Peter Secor Community Association
 67. Westhill 7 Homeowners Association
 68. Centennial Community & Recreation Association
 69. West Rouge Ratepayers Association
 70. Cedar Drive Community Association
 71. Scarborough Valley Homeowners Association
 72. Guildwood Village Community Association
 73. Bournemouth Tenants Association
 74. East Guildwood Community Association

Map 9.5: Boundaries of Community Associations in North York *



* See page 146 for list of community associations.

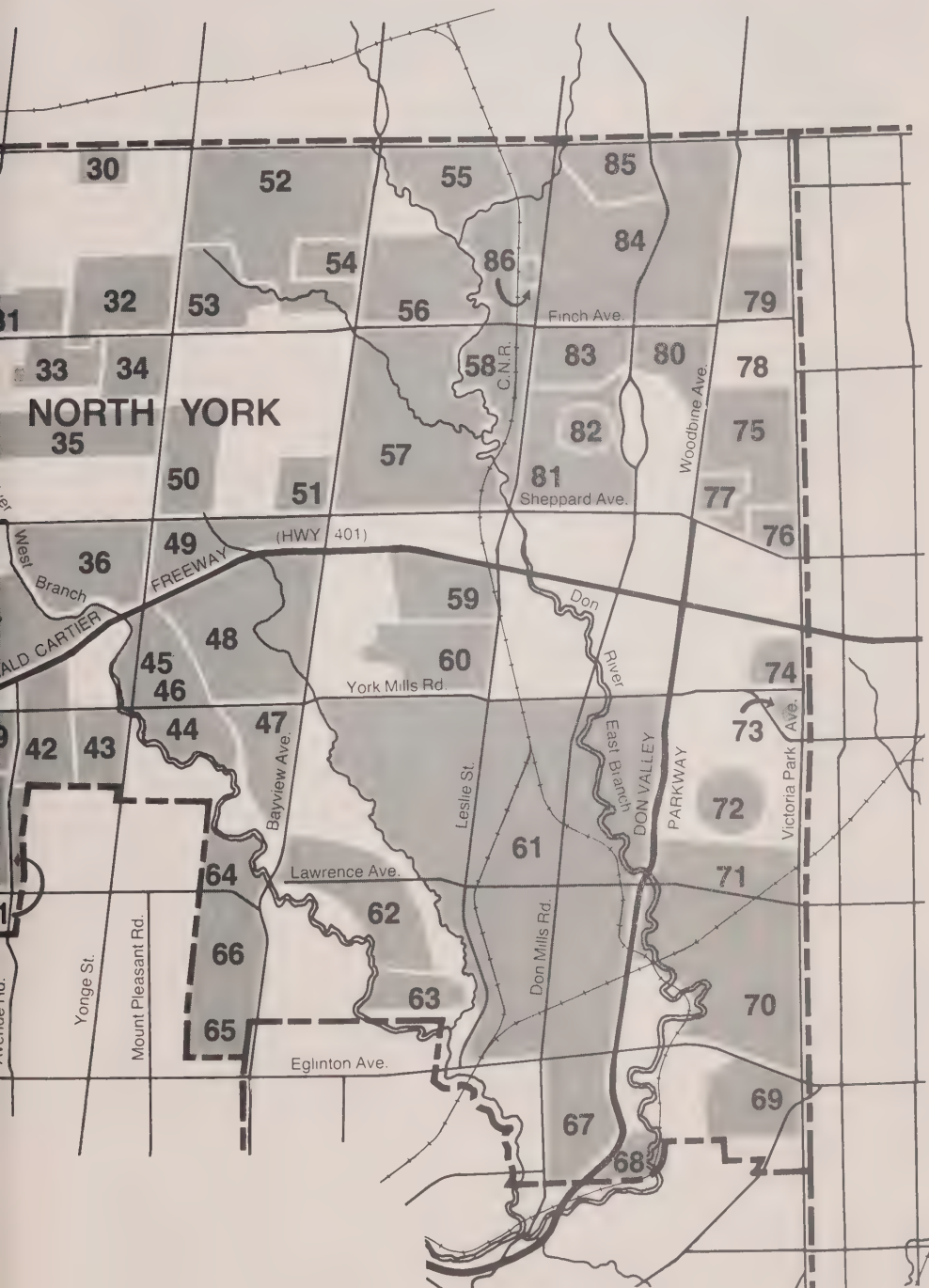


Table 9.4: Relative Distribution of Taxable Assessment under Present and Proposed Boundaries

Percentage of total residential assessment	Present municipality %	Proposed municipality %
Toronto	29.27	30.65
North York	27.20	19.95
Scarborough	17.72	14.21
Etobicoke	15.60	15.60
York	5.54	8.79
East York	4.67	10.80
Percentage of total commercial/industrial assessment		
Toronto	44.00	43.24
North York	21.27	13.37
Scarborough	11.49	9.75
Etobicoke	17.17	17.17
York	3.43	8.20
East York	2.64	8.27
Percentage of total taxable assessment		
Toronto	32.52	33.43
North York	25.89	18.49
Scarborough	16.34	13.23
Etobicoke	15.95	15.95
York	5.07	8.66
East York	4.23	10.24

ment bases of the current and proposed area municipalities. Table 9.3 compares 1975 residential, commercial/industrial, and total currently taxable market value assessments for each area municipality under the present and proposed boundaries. Table 9.4 indicates the relative distribution of assessment among the six area municipalities.

The ratio of commercial/industrial assessment to residential assessment is an indication of the tax burden borne by the residential property taxpayers. The greater the portion of commercial/industrial assessment to the total assessment, the less the tax burden on the residential property taxpayer. Table 9.5 shows that this ratio is improved for three of the six area municipalities under the proposed

Table 9.5: Commercial/Industrial Assessment as a Percentage of Total Taxable Assessment under Present and Proposed Boundaries

	Present municipality %	Proposed municipality %
Toronto	29.90	28.59
North York	18.16	15.98
Scarborough	15.54	16.28
Etobicoke	23.80	23.80
York	14.95	20.92
East York	13.82	17.86
Metro	22.10	22.10

boundary changes. The ratio of commercial/industrial to residential assessment for one area municipality remains the same, and for two it declines.

Per capita assessment is a reasonably good indicator of the ability of municipalities to pay for the services they provide to citizens.* Ideally, all area municipalities in Metro should have the same level of per capita assessment. This is impossible to achieve in reality, but the range in per capita assessment among the six area municipalities can be narrowed through careful boundary adjustments.

Table 9.6 illustrates per capita assessment for each of the present area municipalities and compares it to per capita assessment for the proposed municipalities. It can be seen that four of the six proposed area municipalities – the City of Toronto and the boroughs of York, East York, and Scarborough – would benefit from an improved per capita assessment. One municipality – the Borough of Etobicoke – remains the same. The Borough of North York, while remaining the area municipality with the third highest per capita assessment in Metro, would decline slightly relative to its current position.

The Commission is satisfied that the proposed boundaries eliminate most of the awkward servicing problems that currently exist at the area municipal level both in “hard” services such as garbage collection, and in “soft” services such as education. The proposed boundaries in a very few areas dissect current elementary school attendance areas, but the Commission is satisfied that school attendance districts can be worked out for these areas much in the same manner as is now done where area municipal boundaries separate students from the nearest school.

* The financial analysis found in chapter 10 is conducted on a per household basis as opposed to per capita because many municipal service costs relate more closely to the number of households than to the total population. In this chapter, however, per capita analysis has been used because with the demographic data available to the Commission it was impossible to estimate with any accuracy the number of households to be found in each of the proposed area municipalities.

Table 9.6: Per Capita Assessment under Present and Proposed Boundaries

	Present municipality	Proposed municipality	Numerical variation	% variation
Toronto	\$20,836	\$21,598	\$ 762	3.66
North York	20,155	19,211	−944	−4.68
Scarborough	18,636	18,839	203	1.09
Etobicoke	23,613	23,613	—	—
York	15,781	16,965	1,184	7.50
East York	17,624	18,273	649	3.68
Total	20,166	20,166		

Areas Affected by Proposed Boundary Changes

Map 9.6 indicates the twelve areas of Metropolitan Toronto that will be transferred from one area municipality to another if the Commission's recommendations are accepted. Table 9.7 provides demographic and financial information regarding these areas and their particular relation to present and proposed municipalities. It demonstrates the factors that influenced the boundary selections.

For example, some areas, though small in geographic terms, are densely populated, while other larger areas contain relatively little population. Thus it is possible to provide 11 per cent of the population of the proposed Borough of East York by extending its southern boundary slightly to Danforth Avenue (Area 9), while one-third of the population of the proposed borough must come from Area 8 to the north, a much larger geographic area that is less densely populated.

Similarly, the Commission considered but rejected an option of extending the proposed Borough of York's southern boundary to the CPR railway tracks south of St. Clair Avenue. The railway tracks are a better boundary than a Metropolitan road, but the area which would be added to the Borough of York is poor in assessment relative to population, and can be better sustained financially by the City of Toronto than by the borough.

The proposed set of boundaries accomplishes the Commission's objectives of retaining six area municipalities in Metropolitan Toronto, while ensuring that the boroughs of York and East York have the minimum population base required to carry out the important responsibilities proposed for the area municipal level. The borough which contributes most to the achievement of these objectives is the Borough of North York. The Commission is convinced that its loss of population and assessment, though not insignificant, is nevertheless temporary. This is because the Borough of North York has within it one of the outstanding future development resources in Metropolitan Toronto—the Downsview airport site. When this becomes available for development, as it must in the interests of the residents of this

Metropolitan area, it will represent an unparalleled development opportunity. Furthermore, it should be noted that the Borough of North York remains by far the largest borough in Metropolitan Toronto under the proposed boundaries, second in population only to the City of Toronto.

The Commission assumes that all the usual procedures for local government reorganization will be followed if its recommendations are accepted. This means that the assets and liabilities of the areas being transferred will also be conveyed, and that increases in property taxes resulting from these changes, which should be marginal in any event, will be phased in over an appropriate period of time. Other transitional costs incurred in implementing the new boundaries – for example, in hydro system realignments – should be borne by the province.

In the Commission's judgment, the recommended transfers in population must be accompanied by a corresponding transfer of civic and education employees. Thus the reorganization should take place without an overall increase in the size of the civil service in the Metro system. The bargaining rights, salaries, and benefits of employees being transferred, of course, should be protected as far as possible.

Recommendation 9.1: The boundaries of the City of Toronto be the Humber River from Lake Ontario to St. Clair Avenue; St. Clair Avenue from the Humber River to Bathurst Street; Bathurst Street from St. Clair Avenue to Highway 401; Highway 401, Wilson Avenue, and York Mills Road from Bathurst Street to Bayview Avenue; Bayview and the Bayview Avenue Extension from York Mills Road to Danforth Avenue; Danforth Avenue from the Bayview Avenue Extension to Warden Avenue; and Warden Avenue from Danforth Avenue to Lake Ontario.

Recommendation 9.2: The boundaries of the Borough of North York be the Humber River from St. Clair Avenue to Steeles Avenue; Steeles Avenue from the Humber River to Warden Avenue; Warden Avenue from Steeles Avenue to Ellesmere Road; and Ellesmere Road, Parkwoods Village Drive, York Mills Road, Wilson Avenue, and Highway 401 from Warden Avenue to the Humber River.

Recommendation 9.3: The boundaries of the Borough of Scarborough be Warden Avenue from Lake Ontario to Steeles Avenue; Steeles Avenue from Warden Avenue to the western boundary of the Regional Municipality of Durham; and the western boundary of the Regional Municipality of Durham from Steeles Avenue to Lake Ontario.

Recommendation 9.4: The boundaries of the Borough of Etobicoke be the eastern boundary of the Regional Municipality of Peel from Lake Ontario to Steeles Avenue; Steeles Avenue from the eastern boundary of the Regional Municipality of Peel to the Humber River; and the Humber River from Steeles Avenue to Lake Ontario.

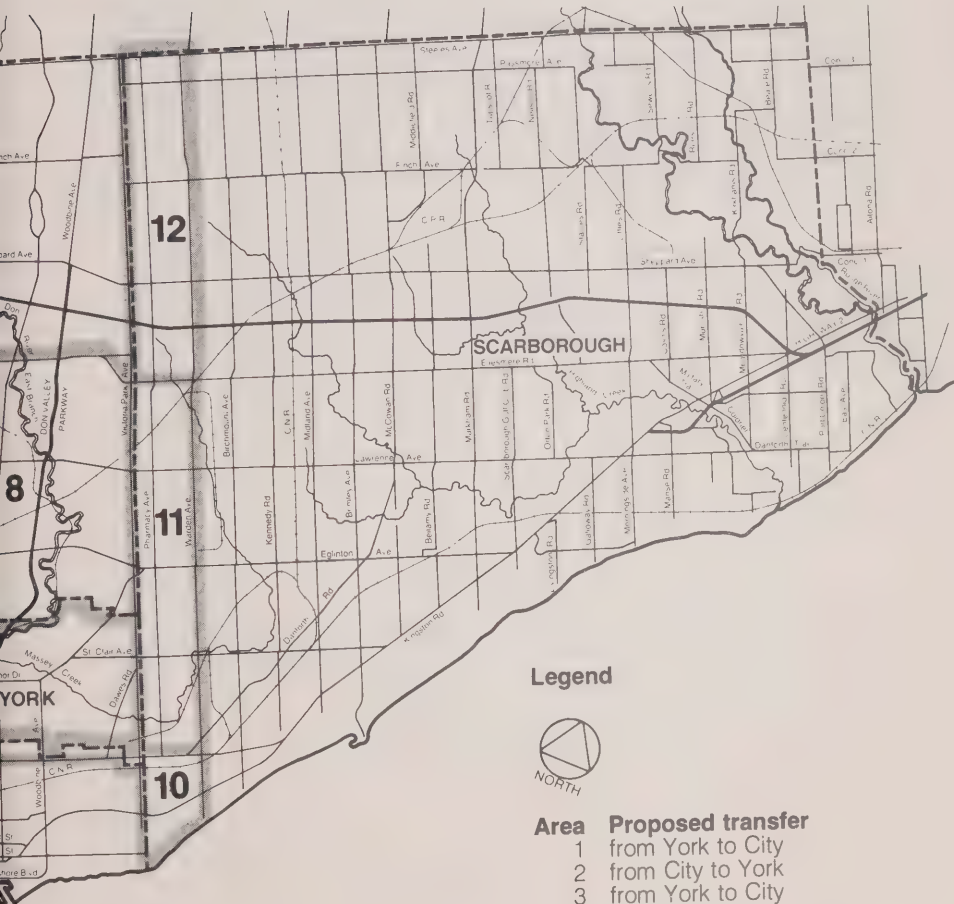
Table 9.7: Areas Affected by Proposed Boundary Changes

AREAS AFFECTED (see Map 9.6)	Population	% of present municipality	% of proposed municipality	Residential assessment	% pr m
1. From York to Toronto	12,263	8.79	1.82	\$ 207,066,602	11
2. From Toronto to York	18,817	2.77	8.49	193,977,166	1
3. From York to Toronto	472	.34	.07	9,842,027	
4. From Toronto to York	5,255	.77	2.37	130,361,775	1
5. From North York to York	70,773	12.68	31.92	993,138,903	10
6. From North York to Toronto	22,678	4.06	3.37	683,855,118	7
7. From East York to Toronto	1,178	1.13	.17	40,667,200	1
8. From North York to East York	78,134	14.00	32.10	1,323,138,385	14
9. From Toronto to East York	26,645	3.93	10.95	299,329,243	3
10. From Scarborough to Toronto	8,523	2.24	1.27	151,336,326	2
11. From Scarborough to East York	35,706	9.37	14.67	490,563,766	8
12. From Scarborough to North York	31,705	8.32	7.58	543,936,566	9

Municipality	Commercial/ industrial assessment	% of present municipality	% of proposed municipality	Three largest linguistic groups (1971 census) % of total		Average family income (1971 census)
	\$ 11,840,841	3.59	.29	English Ukrainian Polish	80.0 10.0 5.0	\$11,215
	80,005,116	1.90	10.17	Italian English French	60.0 38.3 .8	8,461
	1,154,669	.35	.03	English Italian German	93.0 5.0 .7	12,135
	9,858,000	.23	1.25	English Italian Polish	95.3 2.2 1.8	23,194
	380,748,890	18.64	48.38	English Italian German	88.4 25.4 1.3	11,012
	44,320,814	2.17	1.07	English Italian German	96.5 1.0 .9	17,995
	9,584,885	3.78	.23	English French Netherlands	98.8 .9 .2	19,878
	368,647,145	18.05	46.41	English German French	91.2 1.2 .9	16,568
	65,273,889	1.54	8.22	English Italian German	77.0 20.7 .7	8,602
	15,438,426	1.40	.37	English German Italian	96.3 1.3 .9	10,944
	116,407,143	10.55	14.66	English Italian German	93.0 4.6 .7	10,824
	35,432,065	3.21	2.76	English Italian German	78.9 2.0 .7	13,443

Map 9.6: Areas Affected by Proposed Boundary Changes





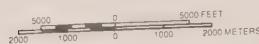
Legend



- | Area | Proposed transfer |
|------|--------------------------------|
| 1 | from York to City |
| 2 | from City to York |
| 3 | from York to City |
| 4 | from City to York |
| 5 | from North York to York |
| 6 | from North York to City |
| 7 | from East York to City |
| 8 | from North York to East York |
| 9 | from City to East York |
| 10 | from Scarborough to City |
| 11 | from Scarborough to East York |
| 12 | from Scarborough to North York |

- Expressways
- Arterial roads
- Railways

Scale 1:175,000



Recommendation 9.5: The boundaries of the Borough of York be the Humber River from St. Clair Avenue to Highway 401; Highway 401 from the Humber River to Bathurst Street; Bathurst Street from Highway 401 to St. Clair Avenue; and St. Clair Avenue from Bathurst Street to the Humber River.

Recommendation 9.6: The boundaries of the Borough of East York be the Bayview Avenue Extension and Bayview Avenue from Danforth Avenue to York Mills Road; York Mills Road; Parkwoods Village Drive and Ellesmere Road from Bayview Avenue to Warden Avenue; Warden Avenue from Ellesmere Road to Danforth Avenue; and Danforth Avenue from Warden Avenue to the Bayview Avenue Extension.

Recommendation 9.7: The transfers of population resulting from the proposed boundary changes be accompanied by a corresponding transfer of municipal employees, whose bargaining rights, salaries, and benefits should be protected as far as possible.

A Time of Uncertainty

No system of government can be considered healthy if it does not have ready access to stable sources of revenue commensurate with its responsibilities. Most important local decisions involve some expenditure of funds, and no organizational structure, however ingenious, can ensure effective and accountable government if financial resources and authority are lacking.

The Commission's analysis of the financial situation of local government in Metropolitan Toronto is rendered extremely difficult by the complex, rapidly changing factors currently at play. The most important of these is the comprehensive reform of the property tax at present under way in Ontario. This program has its roots in the recommendations made by the Ontario Committee on Taxation in 1967. In 1970 the provincial government assumed responsibility for real property assessment previously done by municipalities, with the intention of implementing a uniform basis of valuation at market value all across the province. This is a massive task, and one made more difficult by the rapid increases in property values that occurred in the early 1970s. To enable the provincial government to get on with the job, all valuations were frozen at their 1970 levels by legislation. As a result, the only growth in the property tax base in Metro has been through new development. Another result has been that the taxable valuations of properties throughout Ontario, already seriously out of date with respect to market value, value relative to comparable properties, and value relative to various other classes of property, became even more outdated after 1970.

At the time of writing, the government has stated its intention to implement assessment based on market value throughout Ontario but the timetable for implementation remains uncertain. While the Commission has been able to use the most recent market value assessment data in its work, there is no way of knowing for sure the impact of the reassessment on taxpayers or on local governments because a number of choices to be made in the implementation of this system have not yet been made.

Implementation of market value assessment will follow consideration of the recommendations of the Commission on Property Tax Reform whose report was published in March 1977. That Commission was established to examine fifteen proposals made in the 1976 Ontario budget for changes in the property tax system that might be made in conjunction with the conversion to market value. The proposals deal with such questions as the proportion of property taxes to be borne by residential taxpayers, the treatment of exempt properties, and possible amendments to the Ontario tax credit system.

The conversion to market value and some degree of property tax reform are difficult steps, but they are essential to any improvement in the equity and efficiency of the property tax as a revenue source for Ontario local governments. These

changes are also necessary to any effort to improve the system of provincial-municipal equalization grants.

Another element of uncertainty in the present financial situation is the very high rate of inflation experienced in Canada in recent years, and the effect of the responses of governments to it. Rapid increases in the cost of labour, goods and services have left local governments attempting to meet rising costs with a property tax base that is seriously constrained. Increased financial support from the provincial government did much to relieve the local revenue imbalance for a time, but in 1976 the provincial government began placing more stringent limits on its assistance in an effort to control the growth of provincial spending. More recently the imposition of anti-inflation controls on wages and prices by the federal government (and the application of these controls by the provincial government to the public sector in Ontario) have begun to result in a lowering of the rate of increase in labour costs to municipalities in Metropolitan Toronto. The controls are scheduled to expire at the end of 1978, unless terminated earlier or extended by federal legislation and provincial agreement. As yet, despite widespread debate about the "post-controls society," no clear picture has emerged as to the expected future pattern of wages and prices or the future role of government in this aspect of economic management.

The changing pattern of federal-provincial fiscal relations is another factor in the present atmosphere of uncertainty. The federal-provincial tax-sharing agreement was renegotiated while the Commission's report was being written. Although some additional tax points were made available to the provinces, there is no clear indication what impact (if any) the final arrangement will have on Ontario's financial support for local governments. The Commission has had to make the assumption that any changes in federal-provincial arrangements will not affect the matters included in this report.

Within Metropolitan Toronto, there are some additional factors that add to the difficulty of making reliable financial predictions. First, the implications of the slowing rate of physical growth are not fully understood. In 1978 there is expected to be a decline in the Metro system's forecast capital needs. But because of a second factor, the shift in emphasis from "hard" to "soft" services, a similar decline is not expected in the expenditure requirements of the system for current purposes. Increases in the costs of such labour-intensive services as social services, policing, health, and recreation are expected, in part because of inflation and in part because of increased levels and volumes of service. Even in the capital sphere, important expenditures not included in present forecasts may be necessary for such things as rapid transit facilities or assisted housing to meet the conservation and redevelopment needs of a stable urban area.

In the light of all these factors, any detailed or comprehensive assessment of the future financial circumstances of local government in Metropolitan Toronto is bound to be incomplete.



Northway Survey Corp.

Even if such a forecast were feasible, it would be of limited use because of the extensive changes to the structure and functions of local government being recommended by the Commission. The recommendations on boundaries, special purpose bodies, and transfers of functions and responsibilities between various agencies and levels of government will require detailed analysis from a financial as well as other points of view. There may be many modifications before final decisions are made and implemented. For these reasons, the Commission has not undertaken detailed analyses of the future financial circumstances of each government unit in the Metro system, either as it currently exists or as it might become as a result of the Commission's work.

There are, however, many matters of a financial nature with which it is important to deal. The Commission has tried to ensure that the structural changes recommended will enhance both economy and fiscal accountability. In addition, the Commission undertook research into the financial situation of the Metro system

and examined the many recommendations on finance made to it in the course of its work. This chapter deals with the findings in these matters.

The Metro System's Financial Performance: Recent Trends*

In conducting its analysis, the Commission calculated expenditures and revenues on a per household basis. That, rather than the usual per capita basis, was chosen because it appeared to provide the best measure of local financial phenomena. For example, fire protection, roads, and water connections relate primarily to the number of dwellings in a municipality, and this is most accurately measured by determining the number of households. Similarly, the residential property tax is levied against land and buildings without regard to the number of persons living in them. The tax is paid by the household as a whole, and tax relief programs apply to the household unit. While it is true that not all local revenues and expenditures can be explained most accurately on a per household basis, this is the best general measurement available. This is particularly so for Metropolitan Toronto; while population growth in this area was only 8 per cent between 1970 and 1975, households grew by 17 per cent in the same period. This continued high rate of household formation reflects a decline in average family size and an increase in non-family households, and it accounts in part for the continued growth in municipal expenditures in many fields.†

Current Expenditures

Between 1968 and 1974 local government expenditures per household in Metro increased by 37 per cent. Figure 10.1 shows how the allocation of current expenditures has changed during this period. Functions which grew relative to others in their share of total local spending are protection of persons and property, health, social and family services, and recreation. Education expenditures declined as a proportion of total spending, reflecting a decline in the rate of growth of student enrolments and the imposition of spending ceilings on school boards from 1971 to 1975. Expenditures on public works have remained a fairly constant proportion of total expenditures, but there has been a shift within this category from expenditures on road and road-related expenditures to coverage of part of the operating deficit of the transit system.

* Unless otherwise specified, the financial data used in this chapter are from two research reports prepared for the Commission: Jarrett, Goold and Elliott, *A Financial Profile of Metropolitan Toronto and its Constituent Municipalities, 1967-73* (updated to 1975); and Kitchen, *Public Finance in Metropolitan Toronto*. For these studies, the Commission had to confine its analyses to the time period for which complete and consistent financial information was then available (1968 to 1974). Where figures from other published sources are used, these do not always cover exactly the same period.

† For a province-wide study using this basis of analysis, see Ministry of Treasury, Economics and Intergovernmental Affairs, *Regional Government in Perspective, A Financial Review*, Ontario Tax Study No. 11 (Toronto, 1976).

Figure 10.1: Current Expenditures by Function as a Percentage of Total Expenditures in Metro System (including provincial grant for education)

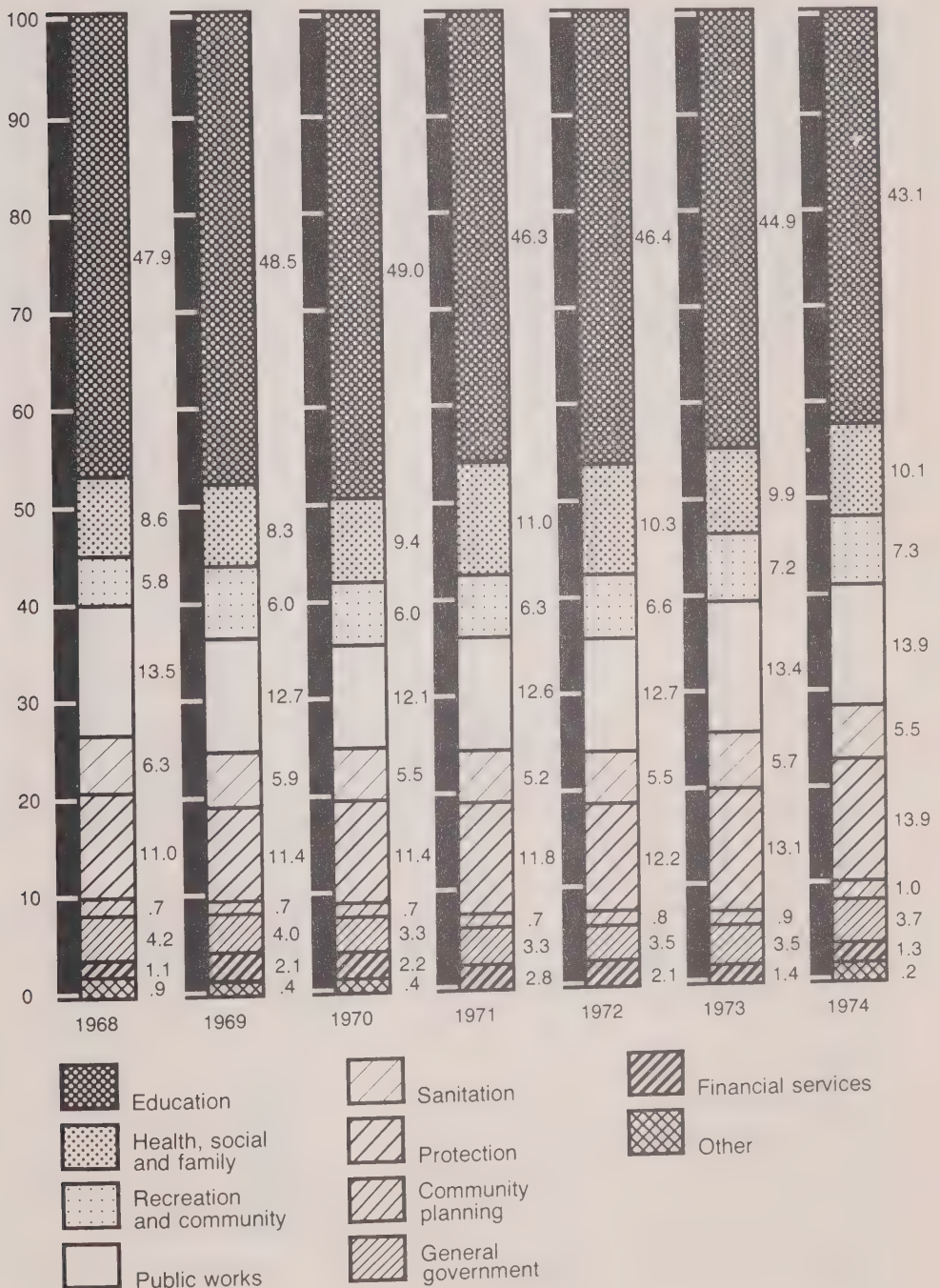
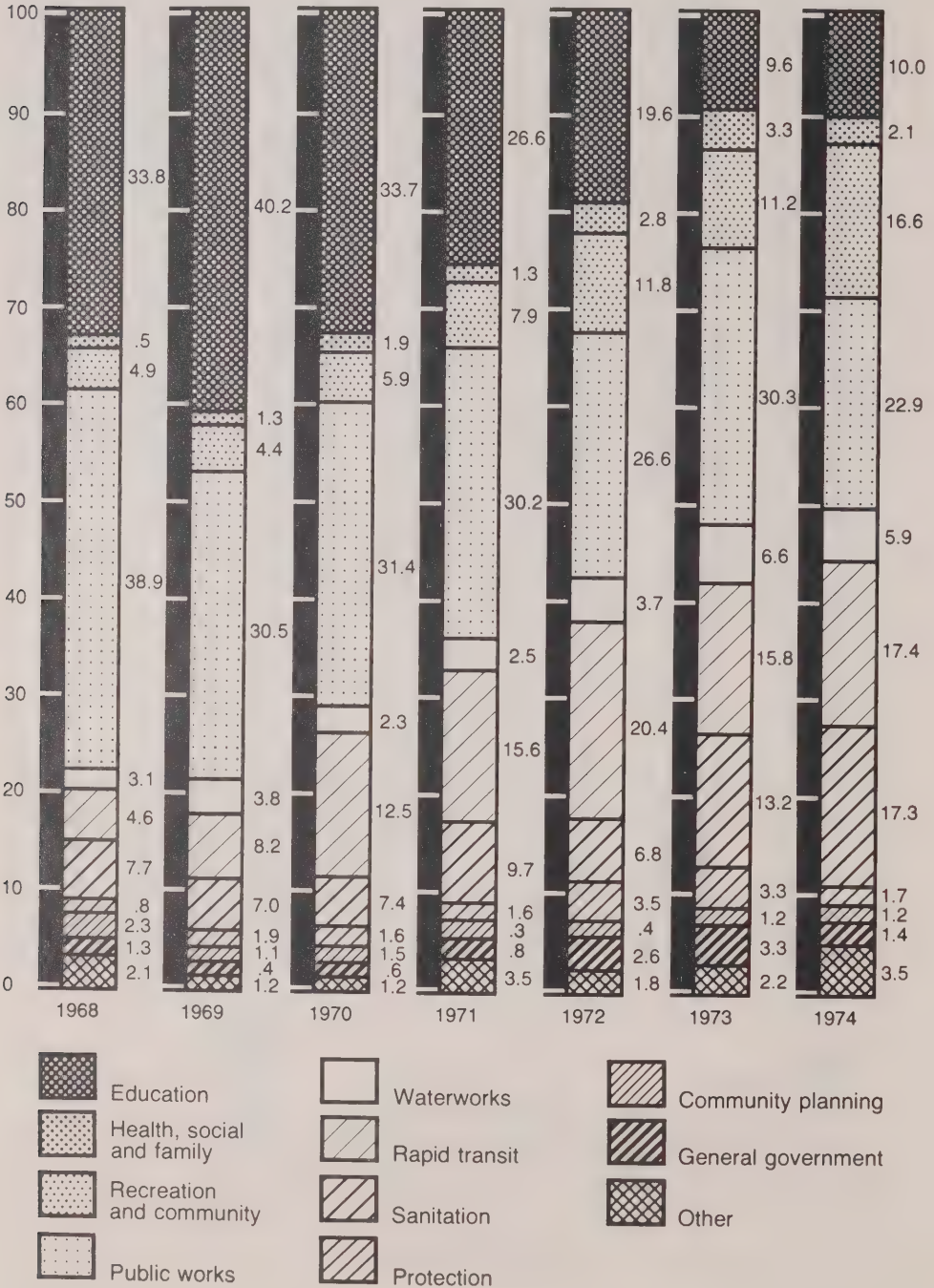


Figure 10.2: Capital Expenditures by Function as a Percentage of Total Capital Expenditures Including Education



Expenditure increases can generally be attributed to three factors: inflation, increased volume of service, and increased level of service. It is estimated that 59 per cent of the increase in total local authority spending between 1968 and 1974 in Metro was due to inflation. Increases in volume of service result from the impact of growth in population, households, and economic activity, and the increased demand for local services caused by this growth. Thirty-three per cent of the increase in total local spending between 1968 and 1974 is estimated to have been due to increases in volume of service. Increases in level of service are improvements of qualitative type: for example more garbage pickups per week, a lower teacher/student ratio, or more frequent transit service. This factor is estimated to have accounted for 8 per cent of the increase in local spending in Metropolitan Toronto during the period studied by the Commission.

Capital Expenditures

Capital expenditures per household in the Metro system declined by 4 per cent from \$339 to \$325 between 1968 and 1974, resulting in part from the decline of per household capital expenditures for education. An increase of 61 per cent occurred in Scarborough, which was still installing facilities to service and develop the vacant land within it. Figure 10.2 shows the allocation of total capital spending, indicating the decline in public works spending and the expansion of rapid transit, sanitation, recreation and community facilities.

Revenues

The per household gross general revenues of the local authorities in the Metro system increased by 33 per cent from \$1,023 to \$1,357 between 1968 and 1974. During this period the property tax continued to account for by far the largest proportion of local revenues, and per household revenues from this source grew by 18 per cent from \$848 to \$1,003. But it is important to note that much of this increase did not result from an expansion of the property tax base through increases in assessments or the addition of new assessment. In fact, per household residential assessment fell by 4.6 per cent during this period, reflecting the provincial freeze on valuations, the decline in the rate of physical development, and the growth in households. Most of the growth in property tax revenue is attributable to increases in mill rates, which are summarized in Table 10.1 for the period between 1967 and 1974. Mill rate increases have escalated since 1974, and annual increases of 12 to 18 per cent and more have not been uncommon.

Although property taxes have increased significantly within the Metropolitan Toronto system, grants from the provincial and federal governments have accounted for an increasing proportion of local revenues. If education grants are included, grants from other levels of government increased from 19 per cent of total revenues in 1968 to 28 per cent in 1974. The largest increases in such transfers have gone to the Metropolitan Municipality. The grant proportion of its total revenue

Table 10.1: Percentage Increases in Mill Rates for Residential Properties (Public School Supporters), 1967-74

Municipality	Per cent increase 1967-74	Average annual per cent increase, 1967-74 (compounded)
City of Toronto		
General rates	5.8	0.8
Metropolitan rates		
general	58.2	6.7
education	18.9	2.5
Borough of North York		
General rates	20.2	2.7
Metropolitan rates		
general	46.2	5.6
education	11.9	1.6
Borough of Scarborough		
General rates	24.9	3.2
Metropolitan rates		
general	41.0	5.0
education*	18.8	2.5
Borough of Etobicoke		
General rates	31.1	3.9
Metropolitan rates		
general	49.8	5.9
education*	19.0	2.5
Borough of York		
General rates	28.6	3.7
Metropolitan rates		
general	34.6	4.3
education	19.2	2.5
Borough of East York		
General rates	91.3	9.7
Metropolitan rates		
general	45.6	5.5
education	23.7	3.1

* Includes locally imposed education rates.

SOURCE Jarrett, Gould and Elliott, *A Financial Profile of Metropolitan Toronto and Its Constituent Municipalities, 1967-1973*, updated to 1975, (The Royal Commission on Metropolitan Toronto, 1975) p. 12.

grew from 18 per cent (\$201 per household) to 26 per cent (\$396 per household) in this period.

The increased reliance by local authorities on grants from other levels of government raises the issue of a possible violation of the principle of fiscal accountability, which holds that the government which spends the money should have the responsibility for raising it from the taxpayers. Another principle, that of autonomy, is jeopardized by the preponderance of conditional as opposed to unconditional grants. Although unconditional grants as a proportion of total grants (including the educational grant) increased from 11 per cent in 1968 to 18 per cent in 1974, the fact remains that the bulk of the grants paid to local governments in Metropolitan Toronto carry conditions with them as to how the money is to be used.

In addition to taxation and grants, municipalities have a variety of revenue sources classified as "other." These include licence fees, user charges, proceeds from disposal of assets, and the like. Revenues of this type have accounted for a fairly constant proportion of local revenues (5 to 7 per cent) in the period reviewed by the Commission.

The Financial Health of the Metro System

The Commission's studies took place at a time of serious concern about the present and future financial viability of municipalities—particularly large cities—both in Canada and elsewhere. It is clearly important, therefore, to examine the financial health of the Metro system carefully to determine whether it is now on a sound footing and to offer recommendations that will help to ensure that it will not go awry in the future. This section describes a number of the measurements of the Metro system's financial performance which were applied by the Commission.

Fiscal Imbalance

With one minor exception in 1955, neither the Metropolitan Corporation nor any of the area municipalities has incurred an operating deficit since Metro was established in 1954, primarily because municipalities and school boards in Ontario are required by law to maintain a balanced budget for current accounts.

While deficits are thus illegal and virtually impossible at the municipal level, the extent to which expenditures can be financed by local taxes rather than by grants is an important indication of fiscal accountability. The Commission uses the term "fiscal imbalance" to describe the proportion of total local government expenditures that is not met by locally raised revenues; this proportion expresses the degree to which local representatives are able to finance expenditures without having to account directly to a local electorate for the raising of the necessary revenues.

Table 10.2 illustrates the Commission's calculations of the fiscal imbalances of the Municipality of Metropolitan Toronto, the area municipalities as a group, and

Table 10.2: Fiscal Imbalance, 1968-74¹

	1968 %	1969 %	1970 %	1971 %	1972 %	1973 %	1974 %
Metro level ²	24.7	25.3	25.6	31.9	31.6	33.8	34.6
Area municipalities ³	(3.1)	(1.4)	(1.5)	1.3	2.5	6.4	3.1
Metro system ²	17.4	18.4	18.8	24.0	24.2	26.7	26.6

¹ Fiscal imbalances are calculated by subtracting own source revenues from total current expenditures and expressing this difference as a percentage of total current expenditures. Figures in brackets indicate that own source revenues exceeded expenditures.

² Includes all education revenues and expenditures.

³ The sum of all the area municipalities.

SOURCE: Kitchen, *Public Finance in Metropolitan Toronto*, p. 175.

the Metropolitan system as a whole for the period between 1968 and 1974. The Municipality of Metropolitan Toronto has a significant and growing fiscal imbalance while that of the area municipalities has been a fluctuating but minor amount during this period.

In a complex urban area it is unrealistic to expect that each level of government could raise exactly the revenue necessary to meet its own needs. But when trends such as the increasing fiscal imbalance of the Municipality of Metropolitan Toronto are observed, the local financial base should be examined very carefully.

Is Expenditure Growth Too High?

The total increase in per household expenditures of the municipalities in Metro was 37 per cent between 1968 and 1974. Expenditures per \$1,000 of taxable assessment, a measure of the impact of spending increases on the property tax, increased 41 per cent in the same period. This rate of increase in spending is less than the estimated rate of economic growth in Metro and in Canadian society as a whole. For example, average household income (after personal income taxes) in Metro increased from \$9,228 in 1969* to \$13,317 in 1974 – an increase of nearly 45 per cent.[†] Similarly, average house prices in Metro, an indicator of the actual expansion in the value of the property tax base, increased from \$26,700 in 1968 to \$52,806 in 1974, an increase of 98 per cent.[†] In addition, per household spending by municipalities and school boards in Metro rose at only three-quarters of the rate of increase in Canada's Gross National Product, meaning that the share of national economic growth taken by local spending in Metro actually declined during this period. In the light of these comparisons with other indicators, it is clear that local government spending in Metropolitan Toronto has not been increasing at a rate greater than the ability of its citizens to sustain it.

* The earliest year for which comparable figures are available.

† Prices rose to \$57,600 in 1975, a further increase of 9 per cent.

Table 10.3: Comparative Analysis of Total Expenditure Growth of the Metro System and Other Governments in Canada, 1968-74

	1968	1974	
Total expenditures	(\$000,000)		Percentage change
Government of Canada	9,857	22,614	129%
All provinces	6,330	15,903	151
All local governments in Canada	6,384	12,003	88
Metropolitan Toronto System	665	1,149	73
All governments in Canada	24,472	55,043	125

SOURCES: *Report of the Tri-Level Task Force on Public Finance, Volume II* (Toronto, 1976), p. 38. In this table, intergovernmental transfers are included in the expenditures of the recipient government.

Kitchen, *Public Finance in Metropolitan Toronto*. Includes the provincial education grant and all other transfers from other levels of government.

The expenditure growth rate of the Metro system is less than that of other governments in Canada. Table 10.3 illustrates that the total expenditures of the Metro system rose at substantially less than the rates of growth in spending of other governments in Canada. It is clear that local government in Metropolitan Toronto has a record of relative restraint during a period when in the opinion of many people government spending got out of hand.

Is the Debt Load Too High?

The means of assessing an appropriate level of debt for a municipality is a matter of constant debate among citizens, politicians, and financial analysts. Borrowing at the local level serves quite a different purpose from that at the federal and provincial levels. By law and tradition, municipal debentures are explicitly linked to specific capital projects. The borrowing serves to spread the cost of the projects over the life of the assets thus acquired, so that future taxpayers who benefit from the facilities will also contribute to their cost. In contrast, borrowing by federal and provincial governments assists them in meeting their general revenue needs and may also serve as a tool of general fiscal policy. While the proceeds of borrowing may help to finance capital expenditures of these levels of government, no attempt is made to associate debentures with any particular capital or other expenditure. Independent borrowing by federal and provincial utilities such as Ontario Hydro, however, is associated with capital programs and is similar in purpose to municipal borrowing.

Regardless of these distinctions, all public debt is subject to repayments of principal and interest that must be met from annual taxation or other revenue sources, and these obviously impose limits to the amount of debt that a municipality

Table 10.4: Total Debt of Local Authorities in Metropolitan Toronto, 1971-75

At Decem- ber 31	Debt as percent of personal disposable income				Debt per capita		Debt as percent of valuation		Debt as percent of total revenues		Debt service on funded debt as a percent of total revenues ³	
	Gross		Net		Gross		Gross		Gross			
	Gross debt (000,000)	Net debt ¹ (000,000)	Gross	Net	Gross	Net	Assessed valuation ² (000,000)	Gross	Net	Gross		Net
1971	\$1,489	\$837	21.2%	11.9%	\$724	\$407	\$6,257	23.8%	13.4%	182.9%	102.8%	17.8%
1972	1,546	845	N.A.	N.A.	731	399	6,509	23.8	13.0	175.9	96.1	17.3
1973	1,582	832	18.5	9.8	747	393	6,785	23.3	12.3	172.8	90.8	17.0
1974	1,654	798	16.8	8.1	778	376	7,044	23.5	11.3	158.7	76.6	15.5
1975	1,656	796	14.3	6.9	769	370	7,292	22.7	10.9	133.7	64.2	13.6

N.A. - Not Available

¹ In this table, net debt refers to net tax supported debt. The decline in net debt reflects primarily a progressive increase in provincial assistance for annual debt service on debt incurred for school purposes from 28.3 per cent in 1971 to 47.4 per cent in 1975. These percentages have been applied each year to the total amount of school debt outstanding to determine the provincial share of school debt which has been deducted from gross debt in arriving at net tax supported debt.

² Assessed valuation as determined as a basis for distribution of Metropolitan general levy against area municipalities in the following year (not based on current market values).

³ Debt service includes interest on all long-term obligations, statutory sinking fund deposits, and principal instalments on serial debentures.

SOURCE: Salomon Brothers, et al., *Prospectus* (Municipality of Metropolitan Toronto Debentures), New York, 30 June, p. 25.

can sustain. The high rates of interest of the past few years have sharpened concern about the levels of municipal debt.

Because Metro has the responsibility for borrowing on behalf of all local authorities within its area, a responsibility the Commission believes should continue, the level of debt is best measured against the financial capacity of the entire system. Table 10.4 presents various analyses of total debt figures of local entities in Metropolitan Toronto from 1971 to 1975.

It is significant that debt has been declining as measured on several comparative bases. It is a generally accepted tenet of municipal finance that net debt should not exceed 20 per cent of total present assessment (not at market value); Metro's net debt was 10.9 per cent of valuation in 1975, having declined steadily since 1971. Another guideline is that debt charges should not exceed 25 per cent of the tax levy; debt charges of the Metro level (including education) were 17.24 per cent of the combined general and educational Metro levy in 1975.² Debt charges of the area municipalities for their own responsibilities are all well below 10 per cent of their general levies.

In summary, then, the debt position of local authorities in Metropolitan Toronto is excellent and improving. This is acknowledged by Moody's Investors Services of New York who have assigned Metro a credit rating of "Aaa," the same as that assigned to the Government of Ontario and the Government of Canada.*

Are Property Taxes Too High?

It has been shown above that increases in local spending in Metro have been significantly less than the rate of growth of personal income or of GNP. As with spending, so with taxes. Gross per household residential property taxation increased by only 19 per cent from \$444 to \$527 between 1968 and 1974. Table 10.5 is from a provincial study of regional government finance; it presents a comparison of residential property tax increases for Metro and other local governments in Ontario. The same study estimated that gross residential property taxation as a proportion of personal income declined in Metro from 4.2 per cent to 2.9 per cent between 1970 and 1975.³

It is indisputable that property taxes in Metro are higher than elsewhere in Ontario, reflecting significantly higher levels of service as well as higher costs in a wide variety of local services. More important, the rate of increase in Metro's property taxation has been less than that in most regions and the same as the average for all municipalities in Ontario.

* Moody's says that "bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as 'gilt edge.' Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues."

Table 10.5: Gross Residential and Farm Taxation per Household, 1970-75

	1970 \$	Estimated 1975 \$	Change 1970-75 %
Durham	410	476	16
Haldimand-Norfolk	301	403	34
Halton	456	523	15
Hamilton-Wentworth	346	403	16
Niagara	353	402	14
Ottawa-Carleton	378	486	29
Peel	456	605	33
Sudbury	309	426	38
Waterloo	356	409	15
York	461	584	27
Muskoka	108	280	159
Totals:			
Average, all regional municipalities	371	465	25
Metro	462	544	18
Average, rest of province	279	330	18
Average, total local sector	359	432	20

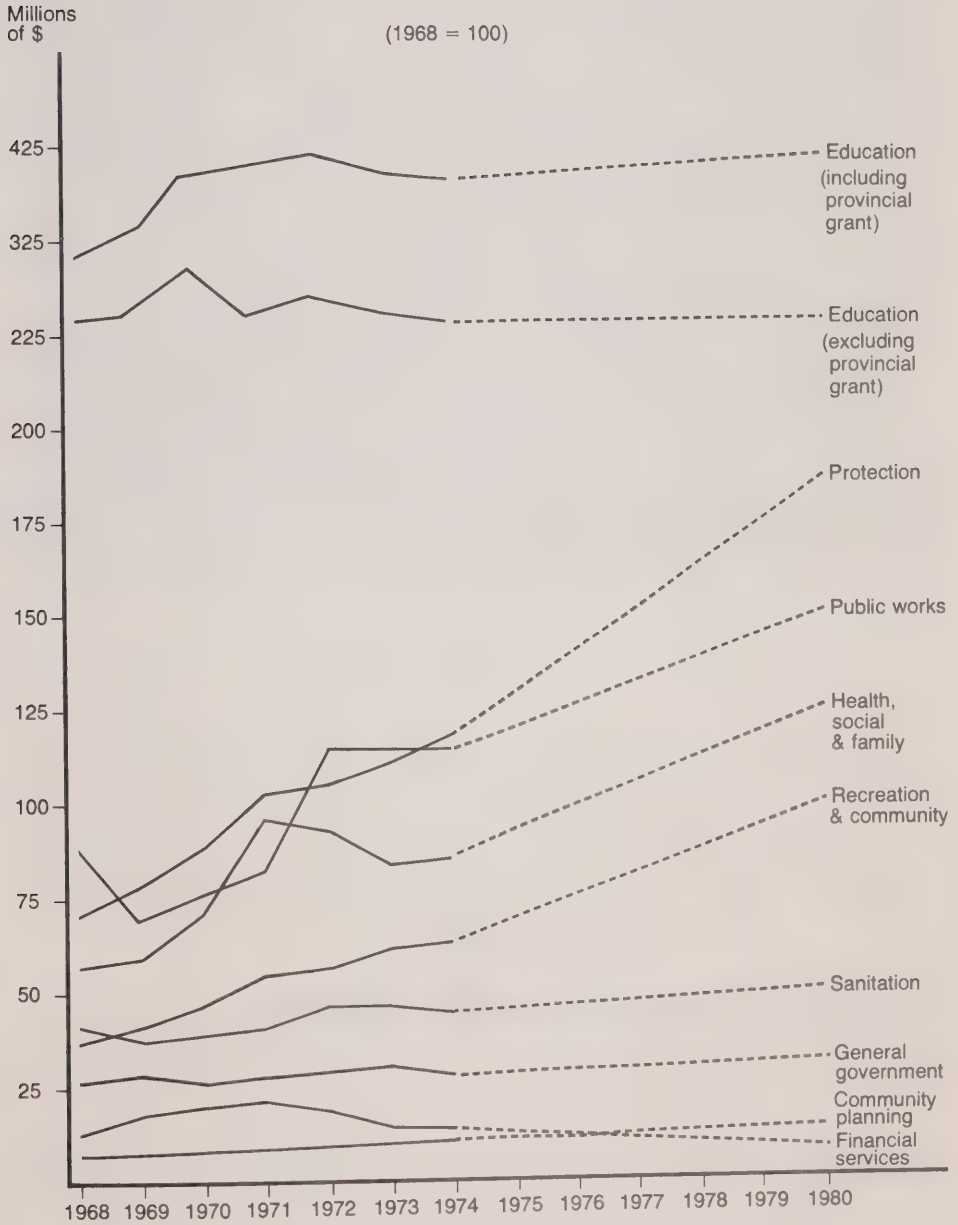
Figures have not been reduced to reflect the property tax credit payments which the province has made directly to individual homeowners and tenants.

SOURCE: Ministry of Treasury, Economics and Intergovernmental Affairs, *Regional Government in Perspective*, p. 59.

The property tax collection record of the municipalities of Metropolitan Toronto has been consistently above 90 per cent of taxes due, an indication that there is no widespread, serious opposition to the level of taxation. The Commission received few submissions suggesting that overall property taxation was too high. While few people ever hold the opinion that taxes of any type are too low, it is difficult to conclude that property taxes in Metropolitan Toronto are unreasonably high.

By most measures, the financial performance of the Metro system in recent years has been excellent. The rate of increase in expenditure has been below that of other governments and below the rate of growth of household income or that of the national economy. Revenues have been sufficient to maintain and frequently to improve service levels, although grants from the province have in fact grown faster than has the prime source local revenue, the property tax. The debt load has always been within accepted financial limits, and is declining relative to the financial

**Figure 10.3: Total Expenditure by Function for the Metro System
Projected to 1980 in Constant Dollars**



SOURCE: Kitchen, Public Finance, (1977) p. 63.



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capacity of the local government system. Property tax rates have increased less quickly than personal income and inflation.

Nonetheless, there are indications that the financial situation of the system may not remain untroubled indefinitely. In particular, it is likely that provincial assistance, which has contributed so much to Metro's healthy financial condition, will not expand as rapidly in the future as it has in the past. Additionally, although the rate at which new assessment is added to the tax base is already declining, there is no corresponding decline in the rate of cost increases in such key local services as police, social services, and transit. These will continue to rise with the rate of household formation, labour costs, and other more general economic and social factors not closely related to physical development.

Future Expenditure and Revenue Forecasts

Forecasts are always difficult in public finance, and particularly so for Metro because of the uncertainties mentioned at the beginning of this chapter. The Commission estimated the magnitude of current expenditures in constant (1968) dollars between 1968 and 1974, and projected these expenditures to 1980 (Figure 10.3). The figure shows that the human services (with the exception of education) will continue to have a significant rate of growth. Public works expenditures will also continue to grow, primarily because transit expenditures are included in this category of current expenditure.

Table 10.6: Projected Gross Expenditure on Capital Works Projects, 1976-80

(in thousands of dollars)			
Function	Area municipalities	Metro alone	Metro system
General government	19,416	—	19,416
Protection	12,379	32,128	44,507
Public works	247,586	656,992	904,578
Sanitation	50,038	351,913	401,951
Health, social and family services	3,000	47,059	50,059
Recreation and community services	79,668	64,565	144,233
Community planning and development	12,391	2,097	14,488
Education ¹	—	—	218,526
Municipal enterprises ²	44,111	151,260	195,371
Total³	468,589	1,306,014	1,993,129

¹ Capital requirements as estimated by the Metropolitan Toronto School Board.

² Includes hydro-electric system, water supply, and the Toronto Parking Authority.

³ The difference in projected capital expenditures between the sum of the area municipalities and Metro is different from the total and this difference represents capital expenditures on education.

SOURCE: Kitchen, *Public Finance on Metropolitan Toronto*, p. 69. "Metro alone" means the Municipality of Metropolitan Toronto; "the Metro system" includes the area municipalities and boards of education in addition to Metro.

Table 10.7: Estimated Debenture Borrowing Requirements, 1976-80

Years Ended December 31 (in thousands of dollars)						
Lender	1976	1977	1978	1979	1980	1976-80 inclusive
Canada	\$ 22,747	\$ 33,003	\$ 23,028	\$ 17,150	\$ 14,910	\$ 110,838
Ontario	10,431	42,150	34,620	34,468	29,282	150,951
Public	180,575	215,402	170,537	148,440	111,563	826,517
Total	\$213,753	\$290,555	\$228,185	\$200,058	\$155,755	\$1,088,306

SOURCE: Salomon Brothers et al, *Prospectus*, New York, 30 June 1976, p. 22.

Projected capital expenditures for the Metro system for the years 1976 to 1980 are summarized in Table 10.6.

Table 10.7 shows the expected debenture borrowing requirements for the Metro system between 1976 and 1980, including long-term debt to be issued to Canada and Ontario through agencies such as Central Mortgage and Housing

Corporation and the Ontario Educational Capital Aid Corporation. The capital requirements of the Metro system are expected to decline in the near future, and this will naturally be reflected in its borrowing.

Financing the Metro System: Changes Needed for the Future

From the foregoing it is clear that local government in Metropolitan Toronto faces significant financial challenges. To meet them, the Metro system, like any other government, requires access to sources of revenue that will grow with the growth of service demands and the expansion of the economy generally. The central question is what these sources should be, and in particular whether the property tax, suitably reformed, can continue to play its dominant role in the future as it has in the past.

Similarly, in view of the importance of grants in the local revenue system, the present grant system merits careful examination, particularly in regard to the high proportion of grant support that is conditional, and the degree of detailed compliance with regulations required by the province before this support is forthcoming.

Another aspect of Metro's financial situation to be considered is the suggestion made to the Commission that provincial supervision of local capital programs through the Ontario Municipal Board is costly, time-consuming, and an undue interference in the decisions taken by locally elected bodies. It is important, however, to balance the force of that argument against the advantages of preserving the Municipal Board's function of ensuring that the debt load of municipalities in Ontario does not exceed the ability of their taxpayers to sustain it.

Finally, there is a widespread concern for the fiscal accountability of local spending bodies. While the Commission's recommendations regarding the electoral system and special purpose bodies go far to resolve this problem, there is also scope for improvement in the financial management and administrative procedures of local government bodies in Metropolitan Toronto.

The following sections of this chapter address these areas of concern.

Taxation

The Fiscal Dilemma

Great currency has been given recently to proposals that municipalities, particularly large cities such as Metropolitan Toronto, be given access to tax sources which grow in yield at a rate comparable to economic growth – that is, the personal and corporate income taxes and/or the sales tax. Proponents of this view point to alleged inadequacies of the property tax. First, they suggest that property taxation in these municipalities is at its limit and cannot be expected to produce the

additional funds necessary to meet the growing financial requirements of large cities. Second, they say the property tax is inappropriate for financing services that are not directly related to property, such as education, health, and social services. Third, the property tax is accused of being regressive in that it takes a larger share of the incomes of the poor than the wealthy, and can impose a severe burden on property owners who have low fixed incomes, such as pensioners.

Those who favour municipal income or sales taxes also believe that such taxes would reduce the dependence of local governments on provincial and federal grants to sustain their activities. Such grants reduce the accountability of local representatives for the funds they spend. They may also distort local priority-setting and financial planning.

The arguments put forward are sufficiently strong to warrant a serious examination of new municipal income sources. The Commission studied them in detail⁴ and the results are outlined below.

A Municipal Income Tax

At one time municipalities in Ontario had the power to impose taxes on personal and corporate income as a supplement to the property tax, but evasion was common and a number of municipalities became tax havens by not imposing these levies. These powers were removed by provincial legislative changes in 1936 and 1941.

There is no question that a municipal income tax for Metropolitan Toronto would yield substantial revenues. The Commission estimates that a flat surcharge of 1 per cent imposed on the federal tax base in Metro would have yielded \$105 million in 1973 (\$99 million from personal income of residents, and \$6 million from commuters). This yield would have been \$122 million in 1974, an amount equal to 40 per cent of the fiscal imbalance of the Metro system in that year. In other words, less than half of provincial transfers to the system could have been replaced by a 1 per cent municipal income tax surcharge.

Proponents of a municipal personal income tax generally suggest not a new tax with separate administration, but rather the allocation to municipalities of a portion of the personal income tax now collected by the federal and provincial governments under the present federal-provincial tax collection agreements. This type of arrangement would avoid the costs of an entirely new income tax collection structure, costs so great that even among the provinces only Quebec has undertaken it.

The necessity of using federal tax collection machinery would lead, however, to a major reduction in the advantages a municipal income tax is said to possess. The municipality would be unable to change the rate of taxation except after negotiation and agreement in advance with the federal and provincial governments. The municipality would be unable to establish its own policies concerning exemptions, deductions, and the myriad other complexities of income tax administration. Tax-

payers would not be able to perceive readily that they were being taxed by three jurisdictions on one form, and thus little if anything would be gained in the way of fiscal accountability. In effect, the municipal income tax system would become a system of assigned revenue allocated to the municipality by the other levels of government, a system not unlike the present unconditional grants, which a municipal income tax would no doubt partially replace.

A municipal income tax would pose severe administrative and equity problems as well. Income tax is now collected mainly by the employer and paid in the jurisdiction of employment rather than of residence. Yet it is frequently in the municipality of residence that the services to be supported by the tax, such as health, education, and social services, are consumed. If the municipal income tax is to be allocated to the municipality of residence, the employer would be required to keep track of the residence of all employees and report this information to the federal Department of National Revenue. This would be complex and costly and yield many opportunities for tax evasion. If the proceeds are to be shared between the municipality of residence and the municipality of employment, or if different rates of taxation are decided upon by each, the administrative costs and difficulties are compounded.

The federal and provincial corporate income taxes are sometimes mentioned as additional growth taxes to which municipalities might have access. But a municipal corporate income tax would require the allocation of the proceeds among the municipalities according to some determination of where the profit is earned. It would be extremely difficult to do this equitably without introducing enormous administrative complexities and costs. For this reason, the Commission has excluded the corporate income tax from its consideration of possible municipal revenue sources.

A Municipal Sales Tax

The Commission also computed the effect that a municipal sales tax would have in Metropolitan Toronto. Per capita retail sales grew at an annual rate of 6.16 per cent (compounded) between 1969 and 1974, and the Commission estimates that a sales tax of 1 per cent in Metropolitan Toronto would have yielded about \$53 million in 1974, which would only have accounted for 17 per cent of the Metro system's fiscal imbalance in that year. A substantially higher rate would have been necessary for this revenue source to be a significant alternative to provincial grants.

It is generally assumed that a local sales tax, like an income tax, would be collected through the provincial sales tax system. Of course, such an arrangement would restrict local flexibility in the matter of rates and exemptions, but the cost of establishing a separate collection system would be very high both for local government and for the thousands of merchants who collect the tax on behalf of government.



Table 10.8: Yield of Alternate Revenue Sources: Percentage of Metro System's Fiscal Imbalance That Could Have Been Offset by Modest Rates of Various Taxes

Year	Municipal personal income tax (1% surcharge on federal tax base) %	Municipal sales tax (1% on provincial tax base) %	Municipal motor vehicle tax (\$3/car, \$10/truck, \$1/motorcycle plus \$.01/gallon of fuel) %	Municipal tax on liquor sales (5%) %	Municipal hotel room tax (5%) %
1969	51.3	20.8	7.7	7.0	1.6
1970	46.3	23.7	6.8	6.0	1.7
1971	35.3	18.0	5.3	5.0	1.4
1972	37.4	18.6	5.2	N.A.	1.5
1973	38.0	14.8	5.1	4.5	1.6
1974	40.0	17.4	4.4	4.5	2.0

N.A. -Not available.

SOURCE: Kitchen, *Public Finance in Metropolitan Toronto*. The calculation of fiscal imbalance (own account revenue shortfall as a percentage of total expenditures) includes the provincial grant for education.

The main disadvantages of a municipal sales tax would stem from the effect of variations in tax rates among municipalities in the same area. Such variations would be natural since municipalities have varying sales tax bases and revenue needs. The result would be a distortion in the pattern of retail trade: businesses would tend to locate in lower-tax municipalities, preferably near the boundary of a higher-tax municipality to attract customers from the latter. Such tendencies would be particularly strong for those dealing in expensive items such as appliances, furniture, and automobiles, where sales tax becomes a significant factor for the consumer. Another difficulty concerns the fair allocation of the proceeds from sales tax on centralized operations such as mail order houses. In these instances, provincial sales tax is frequently paid in Toronto but the goods are consumed in other parts of the province.

The obstacles to a genuinely fair local sales tax are formidable, and since there is no apparent relation between the tax base and the generation of need for local services, nor between the potential yield and municipal revenue needs, the Commission concludes that this source of revenue would be inappropriate and should not be introduced.

Other Revenue Sources

The Commission examined a number of other possible alternative revenue sources and a full discussion of them is contained in its research report, *Public Finance in*

Metropolitan Toronto. Table 10.8 summarizes the effects that modest rates in a number of possible new taxes would have had on Metro's fiscal imbalance in a six-year period. All but the hotel room tax show a negative growth rate in relation to the fiscal imbalance, and the total yield of the hotel room tax is minuscule. Only the income and sales taxes could make a significant financial contribution.

The Commission concludes, therefore, that new taxing sources will not satisfactorily meet the financial needs of local government in Metropolitan Toronto. The only practical means of implementing such taxes would give local councillors little additional flexibility and would not enhance their accountability to taxpayers. The taxes would have serious administrative problems and lead to distortions in the extent and location of economic activity. Unless fairly high rates of taxation were established, the yield would be insufficient to overcome the fiscal imbalance now being experienced in Metro.

The Commission also admits to having made an intuitive judgment that public receptiveness to new taxes of any type, while never high, is extremely low at this time. All taxes, regardless of the level of government imposing them, ultimately fall on the same taxpayers.

The Property Tax

The above alternative revenue sources would warrant even closer examination and consideration if there were substantial validity to the alleged inadequacy of the property tax. But the Commission is satisfied that this is not so for Metropolitan Toronto at present, and it advances the following comments on the traditional criticisms of this tax.

Is the property tax a growth tax?

A growth tax is one whose base expands through economic growth; the yield therefore increases without any adjustment to the rates.

Residential property values have expanded in Metropolitan Toronto at a rate no less than that of personal income, corporate profits, or retail sales, the growth bases of income and sales taxes. The Commission submits that there is substantial growth potential in the property tax base if regular reassessment of property at market value is implemented, as is now planned for Ontario.

Of course, it is questionable whether any government should experience an automatic substantial gain in revenue from any tax without having to raise the rates and justify to the taxpayers the increased expenditure thus made possible. However that may be, the Commission is satisfied that the relatively poor revenue performance of the property tax has resulted from infrequent and unrealistic property assessment; when assessments are regularly adjusted to market value, the growth potential of the property tax will be considerable.

Table 10.9: Property Tax Burden on Selected Households in the City of Toronto

1970	Elderly couple	Low-income household	Average-income household	High-income household
Household income	\$4,000	\$6,000	\$10,000	\$13,000
Gross property taxes	310	310	420	520
Residential property tax reduction	160	60	70	80
Net property taxes	150	250	350	440
Net property taxes as a % of income	3.8%	4.2%	3.5%	3.4%
1975	Elderly couple on GAINS	Low-income household	Average-income household	High-income household
Household income	\$6,400	\$10,000	\$15,000	\$20,000
Gross property taxes	370	370	490	620
Ontario Property Tax Credits	330	120	30	nil
Net property taxes	40	250	460	620
Net property taxes as a % of income	0.6%	2.5%	3.1%	3.1%

SOURCE: Kitchen, *Public Finance in Metropolitan Toronto*, p. 116.

Should the property tax pay for non-property services?

It is impossible to make an absolute distinction between services that benefit property and those that benefit people. While it is true that some services may seem to relate more directly to the type or value of the properties people occupy than to the occupants themselves, all services, including water supply, sewerage, roads, and fire protection are ultimately for the benefit of people. A service that did not benefit people would be unlikely to get the necessary political support for its provision.

A more sensible statement of the services-to-property versus services-to-people idea is a recognition that for many services, especially those affecting the physical, intellectual, and economic well-being of the people, there is a direct interest on the part of the senior levels of government. Even where it is recognized that local service provision is preferable, as in education, the provincial government has a recognized responsibility to ensure that at least minimum standards are provided. With that interest and responsibility should come financial participation. It is unfair to require the local level of government to finance solely from its own resources the entire cost of a service in which other levels have a role. Thus the

property tax should not be the sole source of funds for such services as health, education, or social welfare. This does not mean, however, that it should not be used to finance a part of the cost of these locally provided services.

Is the property tax regressive?

This is a question upon which opinion is now divided. Theoretical studies examined by the Commission indicate that the property tax may be neutral in its effect as it is applied in most jurisdictions. In Ontario, however, no study has yet been completed that takes full account of the level of assistance now given to low-income property taxpayers and tenants through the provincial tax credit program, which provides some reimbursement to approximately 600,000 income taxpayers in Metro's 750,000 households. Table 10.9 illustrates the impact of this program on typical households of various incomes in the City of Toronto in 1970 and 1975. Net property taxation as a percentage of household income declined in each of the sample households, and the decline was greatest for those with the lowest income. In August 1975 a report from the Metropolitan Chairman's office noted that the tax credit program "goes a long way to reduce the regressivity of the property tax. Municipal arguments about the limitations of the property tax often fail to recognize the positive impact of the tax credit system on the property tax."⁵

There is no question that a major increase in property tax could wreak considerable hardship on a significant number of people who would be ill equipped to deal with it. But such hardship can be effectively relieved by programs of assistance such as the provincial Property Tax Credit, or the Elderly Pensioners' Tax Assistance programs which municipalities now have the power to implement. As long as devices such as these are used to alleviate the impact of tax increases, the property tax can continue to finance a substantial portion of local services in Metropolitan Toronto and remain the dominant source of local revenue. But the effectiveness of the property tax can be greatly enhanced through a number of improvements in its administration.

Improving the Property Tax

The provincial government is currently in the midst of a comprehensive reform of the property tax system. The Blair Commission on Property Tax Reform reported recently on the ways in which certain principles could be introduced into the property tax in Ontario in conjunction with the conversion to market value assessment. The report of that commission is being studied by the government, and it is not the intention here to duplicate the analysis. To the extent that the proposed reforms have particular significance for Metropolitan Toronto, they will be commented on in this chapter.

The Commission welcomes the proposals to remove property tax exemptions for many types of properties. These properties are a significant and growing problem in Metropolitan Toronto; they now represent nearly 20 per cent of its real

property assessment. Such properties, be they federal or provincial government buildings, schools or property owned by religious organizations, generate requirements for local services such as fire and police protection and refuse disposal as do other properties. In addition, of course, the employees of exempt organizations need the full range of services which are partially financed by the real property taxes paid by private sector employers. Significant progress has been made recently in the enrichment of grants in lieu of taxes paid by other levels of government to offset many of these costs. Unfortunately this affects only a fraction of the exempt property. The Commission, while recognizing that the removal of exemptions is a painful process for all concerned, hopes that a substantial reduction in the number of exempt properties in Metro's tax base will result from the process of property tax reform.

Provincial Support of Local Government

No matter how many improvements are made to the property tax, there will always be a need for provincial assistance to municipal governments and their taxpayers. Such payments contribute to equity in the property tax system, ensure that revenue from a variety of tax sources is used to finance local services, and are the financial dimension of a provincial interest in the effective provision of those services. In addition, it is recognized that the property tax base and local spending requirements vary considerably from municipality to municipality, and the province has accepted a responsibility to help equalize the financial circumstances of municipalities in Ontario.

Complexity and controversy are characteristics of provincial-municipal financial relations. The Commission could not undertake a detailed analysis of this subject without straying far from its terms of reference. Not only was it thought inappropriate to delve into a subject that would require an examination of the circumstances of all the municipalities of Ontario and provincial dealings with them, but it was also recognized that such an endeavour would be a duplication of the work of a committee already established to do just that. The Provincial-Municipal Grants Reform Committee is composed of provincial and municipal officials; it has been charged with examining the grant structure in detail and recommending means of simplifying it and permitting more local freedom in priority-setting. The committee had not yet reported as this report was being written.

Whatever studies may be under way, however, the importance of provincial transfers to local governments, and indeed to local taxpayers, is too great to be ignored entirely in a chapter on Metro finances. There are several points that should be made, arising as they do from the peculiar circumstances of the study area and the needs of the governmental system that serves it.

A case has been made to the Commission that the existing terms and condi-

Table 10.10: Property Tax Effort in Financing Local Services, 1975

	Gross per household residential and farm property taxation	Personal income per household	Property taxation as a percentage of household income	Total local spending financed by property tax	Total school board spending financed by property tax	Population growth 1970-75	Household growth 1970-75
Metro	\$544	\$18,500	2.9%	48%	59%	8%	17%
Average, all regional municipalities	465	15,800	2.9	35	35	16	27
Average, rest of province	330	12,500	2.6	32	27	10	17
Average, total local sector	432	15,200	2.8	38	38	12	20

SOURCE: Ministry of Treasury, Economics and Intergovernmental Affairs, *Regional Government in Perspective*

tions of provincial financial transfers do not always allow as generous treatment to local government and local taxpayers in Metro as might, in equity, be expected. There are a number of circumstances that make Metro unique, and these might well be taken into account in the province's support programs. These circumstances include Metro's local property tax effort, which is higher than elsewhere in the province, and the usual costs involved in administering a populous, urban area with a stabilizing growth rate. This is a situation that has never arisen before in Ontario, and it is important that provincial programs of financial assistance enable Metro to cope effectively with its unique needs. It is to a consideration of factors such as these that this section is devoted.

Property Tax Credit

Table 10.10 provides a comparison of the tax effort of municipalities in Metro with that of other municipal jurisdictions in the province. It shows, for example, that gross residential property taxation per household is more than \$100 higher in Metro than the provincial average and nearly \$80 higher than the average in other regional municipalities.

The primary means of relieving the burden of property taxation for lower-income people is the Ontario tax credit system, which combines a pensioner tax credit, a sales tax credit and a property tax credit. This system is discussed at length in the report of the Blair Commission on Tax Reform, which suggested that the pensioner tax credit be replaced and that the property tax credit be revised to focus more effectively on the relief of property tax burdens for low-income people. Briefly, the Blair Commission recommended that:

- the definition of income for purposes of calculating the tax credit be altered;

- the credit support a maximum of 90 per cent of property taxes or rent paid;
- the arbitrary ceiling of \$500 on the credit be removed; and
- the proportion of property taxes (or the rental equivalent) covered by the credit decline as income rises and terminate when income reaches \$7,500 per year.

It is not this Commission's job to comment in detail on these proposals. It must be noted, however, that their effect would be to relate the tax credit more closely to actual property taxes than is the case with the present system. This would meet the Commission's concern about the present tax credit system, which because of the ceiling does not provide a level of relief to Metro's taxpayers that is proportionate to their higher property taxes.

It is not known what changes to the tax credit system will be made as a result of the Blair Commission's findings. But this Commission believes that any changes should be based on the principle that the property tax credit should cover the same proportion of the property taxes of people of similar income, regardless of the amount of those property taxes.

Recommendation 10.1: The Ontario property tax credit be revised so that it covers the same proportion of property taxes paid by taxpayers of comparable income throughout Ontario.

Unconditional Grants

Municipal unconditional grants in Ontario were originally introduced to replace revenue from the abandoned local income tax. In 1936, when the provincial government abolished the power of municipalities to impose taxes on personal income, it compensated them by a provincial grant equal to the yield of one mill. That grant was the predecessor of the extensive system of provincial support in place today. Unconditional grants are used primarily to supplement the fiscal capacity of municipalities. Ontario's current unconditional grant program, in addition to providing a general level of provincial support, also attempts to equalize the disparities in per capita assessments between different municipalities.

There are three kinds of unconditional grants available to local governments in Metropolitan Toronto*:

The General Per Capita Grant consists of a lump sum based on population, plus a per capita amount which rises with population, as shown in Table 10.11. The General Per Capita Grant is paid to Metro but credited to the area municipalities

* Two other grants, the per capita police grant and education grants, are often considered to be unconditional, and it is true that these grants are paid without local authorities having to make a detailed accounting of expenditures. But because these grants are related so specifically to particular sectors of local expenditure, they are considered in the section of this chapter that deals with conditional grants.

Table 10.11: Ontario's General Per Capita Grant, 1977 Schedule

Population range	Rate of grant
0 – 5,000	$\$7.00 \times (\text{Pop.})$
5,001 – 10,000	$\$35,000 + \$7.40 \times (\text{Pop. over } 5,000)$
10,001 – 15,000	$\$72,000 + \$7.60 \times (\text{Pop. over } 10,000)$
15,001 – 20,000	$\$110,000 + \$7.80 \times (\text{Pop. over } 15,000)$
20,001 – 25,000	$\$149,000 + \$8.00 \times (\text{Pop. over } 20,000)$
25,001 – 50,000	$\$189,000 + \$8.20 \times (\text{Pop. over } 25,000)$
50,001 – 75,000	$\$394,000 + \$8.40 \times (\text{Pop. over } 50,000)$
75,001 – 100,000	$\$604,000 + \$8.60 \times (\text{Pop. over } 75,000)$
100,001 – 200,000	$\$819,000 + \$8.80 \times (\text{Pop. over } 100,000)$
200,000 or more	$\$1,699,000 + \$9.00 \times (\text{Pop. over } 200,000)$
Regions (including Metropolitan Toronto) \$10.00	

For purposes of this grant, both the District of Muskoka and the restructured County of Oxford are considered as regions.

SOURCE: Ministry of Treasury, Economics and Intergovernmental Affairs, *Ontario Assistance to Local Government and Taxpayers* (Toronto; 1977), p. 9.

Table 10.12: Proceeds from General Support Grants in 1974

Municipality	Grant
Metropolitan Toronto	\$ 7,482,000
City of Toronto	4,024,000
Borough of North York	2,920,000
Borough of Scarborough	2,815,000
Borough of Etobicoke	1,777,000
Borough of York	1,152,000
Borough of East York	627,000
Total	\$20,797,000

SOURCE: Jarrett, Goad and Elliott, *A Financial Profile of Metropolitan Toronto and Its Constituent Municipalities*.

according to their population in the calculation of the Metro levy. The proceeds of this grant for the Metro system were \$19,069,389 in 1974 and \$19,113,668 in 1975.

The General Support Grant consists of 6 per cent of the net general levy of each of Metro and the area municipalities. The total amounts received under this grant by the Municipality of Metropolitan Toronto and the area municipalities in 1974 are shown in Table 10.12.

The Resource Equalization Grant is designed to compensate for deficiencies in assessment suffered by some municipalities in Ontario. It provides a payment based on the deficiency between a municipality's per capita equalized assessment and the provincial average per capita equalized assessment (\$10,100 in 1974). Under the grant formula, the proportion of local revenues covered by the grant varies with the assessment deficiency of the municipality. All municipalities in Metro except York and Scarborough have per capita equalized assessment greater than the provincial average and therefore receive no payments under this program. In 1974 Scarborough received \$1,699,000 from this source and York \$1,992,000.

It can be seen that the present unconditional grant system provides substantial support (about \$44 million in 1974) to local government in Metropolitan Toronto, while leaving its allocation to the elected municipal councils. Nevertheless, there are two ways in which the system could be modified to reflect Metro's unique circumstances more fully.

First is the matter of taking into account the unusually high costs of providing services in a large and populous urban area. As shown in Table 10.11, the per capita grant schedule recognizes that per capita costs increase with the size of the municipality up to a ceiling of 200,000. Since it is considered a regional government, Metro receives the maximum per capita grant (\$10). But while the schedule recognizes that per capita costs increase with population for municipalities outside of regional governments, it does not reflect the fact that the same is true of regions. Table 10.13 demonstrates that a number of services are more costly in the more populous of the regional or metropolitan municipalities, such as Ottawa-Carleton and Hamilton-Wentworth, than in the less populous, such as the Regional Municipality of York or the District of Muskoka. The services analysed in the table were selected because they do not attract significant conditional grant support that would complicate the analysis.

Second is the basis on which grants are calculated. While the Commission has not made the detailed and extensive province-wide analysis that would be necessary to support a firm recommendation, it is struck by the apparent insensitivity of a simple per capita basis for grants. It is apparent that while absolute population growth in Metro has slowed dramatically, the costs of providing many local services continue to grow. There is some *prima facie* evidence to suggest that a number of services have costs that are more sensitive to the number of households in the community than to their absolute number of people. This evidence is sufficiently strong to warrant the suggestion that careful consideration be given to using a per household basis for grants rather than the per capita basis.

Recommendation 10.2: Ontario's per capita grants program be reviewed to assess the feasibility of converting it to a per household basis and making it more responsive to the costs of the more populous regional and Metropolitan municipalities.

Table 10.13: Comparison of Per Household Revenue Fund Expenditures on Selected Services, 1974

	1974 population	Per household expenditures (\$)		
		Fire	Garbage collection & disposal	Recreation
Durham	227,752	62	66	93
Haldimand-Norfolk	84,422	20	21	27
Halton	213,123	42	21	107
Hamilton-Wentworth	401,163	55	42	101
Niagara	353,325	47	30	70
Ottawa-Carleton	489,879	81	22	103
Peel	330,632	60	21	128
Sudbury	164,417	50	44	117
Waterloo	277,284	62	28	89
York	189,797	31	20	79
Muskoka	32,502	13	13	27
AVERAGES				
Regional municipalities	2,764,296	55	31	93
Metro	2,124,095	66	40	114
Rest of province	2,979,451	40	19	52
Total local sector	7,867,842	52	28	82

SOURCE: Ministry of Treasury, Economics and Intergovernmental Affairs, *Regional Government in Perspective*.

Conditional Grants

As extensive as the provincial unconditional grants to local government in Metro are, conditional grants still constitute the larger share of provincial support. Table 10.14 provides a summary of conditional grants paid to local authorities in Metro in 1974-75.

Conditional grants are employed for two important purposes. First, they can provide incentives for local municipalities to develop or improve local facilities and services that the provincial government considers important to the furtherance of the public interest. Examples of grants with this purpose are housing grants and library grants. This type of grant has a long history in provincial-municipal finance in Ontario, as well as in federal-provincial finance in Canada. (The Commission has classified them as "incentive grants.") The second purpose of conditional grants is

to provide a continuing subsidy by the province for a locally administered service for which the province and/or federal government acknowledges some responsibility. The concerns of the provincial government in these areas are to ensure that minimum standards are met in the provision of services for which it has accepted a responsibility and for which it is accordingly to a degree accountable. The grants discharge the financial aspect of that responsibility, as well as ensure that municipalities have the necessary resources to provide at least adequate services.

In general, conditional grants represent explicit undertakings on the part of the province to pay a fixed proportion of the costs incurred by municipalities in delivering the services being subsidized. Frequently, the subsidy is available only for defined aspects of a program: one-third of the salary of a full-time municipal recreation director, for example. It is often suggested that local councillors adjust spending priorities to take maximum advantage of these grants. Thus, while local finances may benefit, local services do not – or at least not in proportion. It is also said that these grants discourage local experimentation and innovation and create expensive administrative inefficiencies because of the extensive amount of auditing and documentation that they usually involve. Finally, conditional grants are said to need some overall ceiling imposed on them if they are not to lead to enormous and unpredictable costs for the government that provides the funds.

These criticisms do not necessarily apply to all conditional grants. Local priorities are distorted by such grants only if the municipality is led to establish, improve, or continue a service where it would not otherwise have done so. The same is true where grants are paid directly to a special purpose body over which the municipality has no spending control. But in cases where a given service would be provided anyway, a conditional grant may have a subsidy effect, leading a municipality to improve the service, to use the local revenues released by the grant to support other local services, or to lower taxes or user charges. Provincial support to Metropolitan Toronto for transit operations, for example, has tended to result in fares increasing at a lower rate than rising costs would appear to justify.

It cannot be denied, however, that the terms and conditions of some programs are so detailed as to hogtie the local administration. In some instances these detailed regulations are an intrinsic part of the grant program; in others they have little to do with finance per se. For example, provincial assistance for ambulance services is based on prior approval by the Ministry of Health of the annual budget of the operating agency, and the subsidy can cover up to 100 per cent of costs. Library grants, on the other hand, are based on the population and the land area served but are payable only to library boards, which means that the grant structure requires a particular form of organization for the local service it supports. The sum effect of the details of all the grants is a rigidity in local administration that represents a formidable barrier to integration of services and innovation of administration. In the Commission's view, the local governments of the Metro system

Table 10.14: Conditional Grants Paid by Ontario to Municipalities and Local Boards in Metropolitan Toronto

Grants	Metro Toronto \$	City Toronto \$	Borough North York \$	Borough Scarborough \$	Borough Etobicoke \$	Borough York \$	Borough East York \$	Total \$
Home care assistance	2,175,000							2 175 000
Emergency Measures	252 706							252 706
Integrated radio (Ontario Police Commission)			7 167					7 167
Public libraries	969,389	1,050,662	791,346	531 410	426 972	218 358	159,485	4 147 631
Museums	11,000	33,301	6 000	7 683	5 000	2 500	3 838	69 322
Children's Aid Societies	16,767,620							16 767 620
Day nurseries	6 600,970							6 600 970
Welfare boards—administration	2,481,144							2 481 144
General welfare assistance	31,665,142							31 665 142
Homes for the aged	12,474,921							12 474 921
Homemakers and nurses services	1,195,645							1 195 645
Community centres		55,000		53 430		28,366	13 354	150,150
Programs of recreation		15,000	15,000	15,000	15,000	12,000	12,000	84,000
Pollution abatement				172				172
Waterworks and sewage	4,222,839							4 222 839
Ambulance services	3,745,404							3 745 404
Boards of health		1,780,079	687,217	438,115	283,190	232,619	158,051	3 579,271
Outbreaks of disease		21,462	6,481	4,812	3,279	4,666	1,761	42,461
Venereal disease				10,094	2,565	1,563		14,222
Housing policy study grants	3,000	5,000		3,750				11,750
Elderly person's housing	210,000							210,000
Housing action studies						4,525		4,525
Housing action incentive grants			373,875	174,900				548,775
Urban renewal		237,360						237,360
Conservation areas	6,421,084							6,421,084
Maintenance and construction— roadways	61,245,104	9,072,085	6,809,979	5,104,597	3,589,141	1,081,228	725,860	87,627,994
Urban transportation planning and studies	488,752							488,752
Special emergency assistance					17,550			17,550
Student involvement in municipal administration	5,726	6,000		8,812	3,280	3,330		27,148
Provincial-municipal employment incentive	46,182	3,666	3,900		2,419			56,167
Police per capita	14 831 747							14 831 747
Total education grants	165,685,000							165,685,000
Total	331 498,384	12 279 615	8 700 965	6 352 775	4 348 396	1 589 155	1 074 349	365 843 639

SOURCE: Jarrett, Gould and Elliott, *A Financial Profile of Metropolitan Toronto* (Updated to 1975) p. 57
Data are from the Government of Ontario and cover the provincial fiscal year ending 31 March, 1975

do not require detailed regulation and supervision by the province in order to provide satisfactory services to the people.

Nevertheless, it is also recognized that these grants serve an important function in enabling provincial and local governments to cooperate in meeting their joint responsibilities in a number of instances where clear jurisdictional lines cannot be drawn.

The Commission finds that the need to provide incentive grants to the municipalities of Metropolitan Toronto has nearly vanished. In other words, local councils in Metropolitan Toronto are now as able to perceive the public interest and to develop appropriate programs as is the provincial government. It is time to do away with these grants. The only current exception to this general conclusion is in regard to housing, where it is clear that major incentives are essential to ensure that necessary action is taken by the area municipalities and Metro.

If all grants of a purely incentive nature were abolished, it would not have a substantial financial impact on municipalities in Metropolitan Toronto. Certainly it would be small in relation to total expenditures of local governments in the system: such grants are estimated to have amounted to less than \$10 million for Metro and the area municipalities in 1974, when the total expenditures of the Metro system were more than \$1 billion. This is less than 1 per cent, the equivalent of slightly more than \$2 per household in residential property taxes. Abolishing such grants for Metro would mean, however, that provincial taxpayers in Metro would be contributing to grant programs that would not be available to them. It would be simple to overcome this difficulty by suggesting that these grants be abolished throughout the province, but it may be that they are desirable and necessary in other parts of Ontario. Equity might be restored by increasing the unconditional grants to Metro by the amount of incentive grants being abolished. But this would necessitate the calculation of what incentive grants would have been used by the municipalities in any given year. Therefore, in view both of the relative insignificance of the revenue loss and the expectation that it will be made up by other suggested changes to the grant structure, the Commission does not recommend any specific compensation.

Recommendation 10.3: All conditional grants whose purpose is to provide an incentive to municipalities to provide services or facilities, with the exception of housing grants, be eliminated for municipalities in Metropolitan Toronto.

The problems of the other conditional grants – those discharging a provincial responsibility for a locally administered service – are more complex. Such grants support ongoing services which, while they are in reality the joint responsibility of two or more levels of government, are administered locally by municipalities, school boards, and local special purpose bodies. Such services include police, welfare, education, public health, and transportation. The funding arrangements for these services vary considerably, with the provincial government paying grants



based on population and without further conditions (police), on per pupil costs subject to complex formulas (education), or on a percentage of costs (transit and general welfare assistance). The debate about the appropriate share of costs to be paid by each participant is endless, and it would be neither feasible nor desirable to propose any sharing arrangement that would apply to all services. More detailed examinations of the funding arrangements for many of these services can be found in the relevant chapters of this report.

The Commission finds many administrative difficulties in these grant programs as they apply to Metropolitan Toronto. First, the majority of the grants still contain highly detailed provisions as to which aspects of the service are eligible for grants and which are not. Second, there are some variations in the level of funding available to the City of Toronto as compared to the boroughs as a result of the latter being deemed townships for the purposes of some grants. This distinction may have been appropriate when Metro's boroughs were in fact partially rural and partially urban, but it is an anachronism now that virtually all of Metro is urbanized.

Third, it is clear that there is mounting concern about the longer-term implications of many of these grant programs and a growing recognition of a need to coordinate provincial-municipal fiscal planning. The magnitude of the expenditures of the local sector in Ontario and the impact of these on provincial finances has led to the implementation of a number of short-term expedients, such as ceilings on school board spending, and arbitrary limits on increases in grants from the Ministry of Community and Social Services and the Ministry of Health. There is now ample scope and capacity within both the provincial government and the major local governments in Ontario to engage in joint, long-term financial planning. Such an approach would permit a consolidated response to changing circumstances, enable provincial support programs to be better tailored to varying local needs, and allow more flexibility in setting priorities at the local level.

Finally, little emphasis is given in existing intergovernmental grant programs to some special service needs that exist in Metropolitan Toronto and other large urban centres. An obvious example is the services required by recent immigrants. These include translation, special education, and housing services, and support to voluntary organizations providing assistance to immigrants. Since immigration is a joint responsibility of the federal and provincial governments under the constitution of Canada, it is logical that the local costs of such services be shared by the other two levels of government.

To overcome the shortcomings of the present system, the Commission proposes that the major grant programs be replaced, wherever possible, by negotiated three-year financial agreements between local governments in Metropolitan Toronto and the provincial government. Under this arrangement, the local and provincial authorities would develop estimates of their future revenues and the expected costs of major services, including those for which responsibility is shared. Through negotiation, an equitable division of financial responsibility for

these services would be established, and provincial economic policies could be fostered. The local governments would then be free to provide the services in accordance with broad provincial standards and the present detailed auditing arrangements could be abolished. For each service it would still be necessary to assemble financial information, primarily to provide a basis for the negotiation of the next cost-sharing agreement, particularly where federal-provincial arrangements are involved.

The Commission would expect the following existing grant categories to be covered by this new arrangement:

- Home care assistance
- Day nurseries
- Welfare administration
- General welfare assistance
- Homes for the aged
- Homemakers and nurses services
- Children's aid societies
- Services to immigrants
- Public health
- Outbreaks of disease
- Venereal disease
- Ambulance services
- Police
- Public libraries
- Museums
- Waterworks and sewage
- Road construction and maintenance
- Transit construction and operations

It must be recognized that the definition of sharable programs will vary from time to time; the above list should not be considered definitive or exhaustive.

The implementation of this proposal would not mean that local governments in Metropolitan Toronto would receive more than their fair share of provincial funds compared to other municipalities in Ontario; it would still be possible for provincial support to be provided in accordance generally with province-wide conditional grant allocations. But it would give the municipalities of Metro an opportunity to demonstrate a number of circumstances that may justify higher provincial support, and it would enable them to exercise more discretion in their administration of services. Once the cost-sharing agreements were established, the locally elected representatives would have to account to their own voters for the allocation of funds to various programs.

Recommendation 10.4: Existing intergovernmental grant programs as they apply to Metropolitan Toronto be replaced with three-year cost-sharing

agreements for provincial and (where applicable) federal support of municipally administered programs for which there is a recognized financial responsibility on the part of the other levels of government. Such agreements be negotiated jointly by the provincial government and the municipalities in the Metro system.

Education grants are not included in the above recommendation. The Commission recognizes that the educational grant system is one of the most complex in Ontario, and a detailed examination of this system is beyond the scope of this report; several salient features of educational finance in Metro are discussed in chapter 17.

Borrowing

One of the most ingenious and important features of the original Municipality of Metropolitan Toronto Act was the provision that the Metropolitan Municipality undertake all borrowing for the constituent local governments and their agencies. Debentures issued by Metropolitan Toronto are joint and several obligations of the Metropolitan Corporation and the area municipalities, which means that the financial base of the entire area is used as a guarantee that the debt incurred will be repaid. Thus, in the early years the City of Toronto's excellent assessment base was used to support the financing of services in the rapidly growing outer municipalities, and when the time came to upgrade the City's sewer system the borrowing for this project was measured by the ability of the federation as a whole to meet it. This arrangement has been a remarkable success, and has had the additional benefit of encouraging the development of a high degree of competence in debt management within the Metropolitan Corporation.

The most important factor in the general control of municipal debt in Ontario is the Ontario Municipal Board, which must approve all local borrowing prior to the issuance of debentures. The Municipal Board may approve or reject all or part of a project or order that it be submitted to a vote of the electors. This supervisory system, established in the 1930s when a great many municipalities were defaulting on their debts, ensures that no local government in Ontario can incur a level of debt that exceeds safe financial limits.

Within the system of supervision, Metro has made extensive use of capital markets in Canada and abroad. In fact it is estimated that Metro was responsible for 35 per cent of all long-term borrowing done by local authorities in Ontario in 1975.⁶ But Metro Council has always been concerned to keep its debt as low as possible and recently it embarked on a program to reduce further growth of its debt by financing more capital projects through current revenue. There can be no question that the costs and dangers of an unduly high debt load have been as keenly



perceived at the municipal level in Metropolitan Toronto as they are at the Ontario Municipal Board.

There are two main difficulties with the present system of supervision by the Municipal Board over Metro's borrowing activities.⁷ First, the approval process is long and cumbersome. In addition to submitting a five-year capital budget and a borrowing forecast each year for Ontario Municipal Board approval, municipalities must also obtain approval for borrowing for specific projects included in that plan. As a consequence, project approvals are often not received until well into the fiscal year and, in many cases, late in the construction season. In addition, of course, detailed project approvals require considerable staff time and effort for both the municipalities and the Ontario Municipal Board in preparing and processing applications.

The second difficulty lies in the mandate of the Municipal Board to examine not only the ability of a municipality to sustain proposed new debt but also the advisability of the projects councils have selected. This requires the Municipal Board to examine detailed technical specifications for highly complex physical works. It also permits the Board to substitute its own view of priorities for that of the councils. Occasionally the Municipal Board is given policy direction by the government, and is constrained to assess local proposals in the light of provincial priorities. In 1975, for example, the provincial Treasurer asked the Ontario Municipal Board to examine municipal capital plans with a view to rejecting or deferring those that did not make a contribution to the government's objective of economic recovery.

The Commission does not question the power, indeed the responsibility, of the province to prepare and implement economic policies through the fiscal levers at its disposal. Local capital spending can be an important economic lever, and the province cannot be denied some control over it. But the province's primary interest is in the total amount of capital investment in a given year, rather than in the validity of one class of project as opposed to another. On occasions when the province chooses to give policy guidance about approvals of local capital expenditures, it should do so in as clear and specific a manner as possible. Municipal councillors should be made as aware as members of the Municipal Board of provincial policy as it affects their projects. Members of the Municipal Board should not be put in the position of having to substitute their personal judgments for those of elected local officials, nor should the system be such as to give the appearance that they are doing so.

The Commission therefore favours a clearer and more limited definition of the function of the Ontario Municipal Board in approving the municipal capital programs of local authorities in Metropolitan Toronto. This function should be limited to ensuring that:

- total borrowing on the credit of the municipality is known and kept within acceptable limits related to the ability of the municipality to repay the debt;
- borrowing is for capital projects only and not for current expenditures;
- the term of debentures for a project is no longer than the life of the assets created; and
- the level of capital expenditure conforms to stated provincial policy.

In the Commission's opinion the clarification of the Municipal Board's function in this way will result in greater local autonomy and reduce delays and administrative costs. Also, it will tend to focus the Board's attention on its primary and utterly important continuing role, which is to ensure that local authorities in Metropolitan Toronto do not jeopardize their future health by borrowing more than they can afford to pay back.

Recommendation 10.5: The Ontario Municipal Board's function with regard to approval of capital projects of local authorities in Metropolitan Toronto be limited to ensuring that total borrowing by the authorities is known and within acceptable financial limits, is for capital purposes only, is for a term not longer than the life of the assets to be created, and conforms to clearly stated provincial policy concerning capital expenditures.

The Commission proposes that the above recommendation be implemented by converting to a system whereby municipalities in Metro would submit five-year capital forecasts as is the case now, plus an annual capital program which would be submitted before the beginning of the fiscal year. The annual capital program would be accompanied by certified statements as to the current level of indebtedness of the authorities for whom approval to borrow is being sought. The Board would then approve the annual program and this approval would constitute authority for Metropolitan Toronto to issue the necessary debentures. If at any time the Board was not satisfied as to the completeness of the information provided to it, its sanction would be to withhold permission for further borrowing until the situation could be rectified. Such a system would quickly result in the provision of appropriate information on indebtedness on a routine basis at a minimum of expense, and simultaneously provide councillors, staff, and taxpayers with consistent and accurate annual data concerning this important aspect of local finances.

While this redefinition of the Municipal Board's authority would require legislative change, some improvements could be implemented under the present provisions of section 64 of The Ontario Municipal Board Act, which permits municipalities to apply for approval of expenditures on a class or classes of work. The Municipality of Metropolitan Toronto now uses this provision to secure approval for its own yearly borrowing needs, although the area municipalities continue to use the more traditional project approval approach. Section 64 has not been used frequently in the past because the entire capital program of a municipality has not always been ready early in the fiscal year and because a single objection by a ratepayer can stall the whole program while a hearing is held.

Municipalities in Metropolitan Toronto are now capable of preparing realistic annual capital programs and securing public comment on them. The appropriate forum for considering public objections to capital projects is the local council, which has the responsibility for balancing the public interest with the concerns of individual ratepayers.

Recommendation 10.6: Responsibility for hearing and deciding on objections to municipal capital projects be transferred from the Ontario Municipal Board to municipal councils. Procedures for consideration of municipal capital programs by councils include publication of the programs and the holding of formal hearings on them.

Financial Management and Cost Control

There are a number of features of the present local government system that impede the introduction of modern financial management techniques by municipalities, school boards, and other local public bodies in Metropolitan Toronto. In chapter 6 the Commission recommends that municipal councils receive and retain ultimate financial responsibility for the operations of all local special purpose bodies other than school boards. The recommendation, if implemented, will go far to overcoming the current impossibility of achieving consolidated financial control and accountability. The Metropolitan Council, for example, has little if any formal influence on the overall level, or the details, of the expenditures of the Board of Commissioners of Police or the Toronto Transit Commission, whose requirements comprise about 40 per cent of Metro expenditures. If to that are added the demands of other special purpose bodies and the mandatory expenditures under some of the shared-cost programs such as welfare, the amount of fiscal discretion left to Metro Council is small indeed. An apt analogy is contained in a report forwarded to the Commission by the Metropolitan Council which likened its expenditure control efforts to an attempt to restrain a kangaroo, in that "the Metropolitan Council in the agony of long debate is doing no more than controlling its tail (30 per cent) while the rest of the expenditures (70 per cent) dance at will."⁸ A similar but less serious situation prevails regarding the area municipalities.

For true control and accountability to be given to the councils, they will have to be made responsible for both budget approvals and expenditure controls. It is of more than symbolic importance for the administrative arms of councils – be they departments of the civil administration or specially appointed bodies – to be dependent upon those councils for funds. Therefore, all payments from the provincial government in respect of local programs (apart from education) should be made to the appropriate local councils rather than sent directly to the agencies as is currently often the case.

Recommendation 10.7: All provincial payments for local services except education be made to municipalities rather than directly to special purpose authorities.

A number of desirable improvements in financial management are within the present powers of municipalities to implement. For example, nothing (except perhaps the short term of office and uncertainties about provincial support) prevents municipalities from engaging in multi-year forecasting of future expenditures and revenues, or from projecting the future impact of operating costs associated with proposed capital projects. Long-range planning for capital expenditures is successful and accepted. Yet only recently have municipalities in Metropolitan Toronto begun to do this type of financial planning for operating expenses, and only

a few can be said to be making a serious effort in this field. All municipal councils should follow suit.

Recommendation 10.8: All municipalities in Metropolitan Toronto be encouraged to develop a capacity for multi-year financial forecasting and planning.

Similarly, budget preparation in Metro's municipalities is still mainly an incremental process in which basic allocations and priorities are not evaluated regularly. Here the Metropolitan Municipality is an exception and the City of Toronto has made some recent progress in this regard. But there is an urgent need for continuing evaluation of existing programs to assess their effectiveness and their relationship to overall priorities.

The Commission believes that it could not fulfil its mandate without determining whether there are any areas in which significant administrative improvements can be made. Accordingly, it commissioned a study which resulted in the report, *The Organization of Administrative Support Services in Metropolitan Toronto*.⁹ The consultants who undertook this study were asked to assess the potential savings that might be achieved through centralization or sharing of administrative services within the two-tier system of government. The services examined were computers and systems, revenue billing and collection, payroll administration, pension administration, auditing, purchasing and stores, printing, mapping, records management and archives, and administrative support for collective bargaining. With one exception (the computer and systems field), the consultants concluded that few economies could be achieved by centralized or joint arrangements: most of the entities studied are already large enough to secure the major economies of scale that are feasible in these fields. The report does stress, however, the value of cooperation and consultation among local authorities in Metropolitan Toronto, so that voluntary standardization and sharing of experience can result in the most economical provision of services. In the field of computers and systems, the study found that the potential exists for significant savings and improved service through a coordinated approach by the local authorities to the acquisition of the newer computer systems now coming into use. It recommends a detailed study of the computer and systems function to assess the sharing of services among the local authorities.

Recommendation 10.9: Local authorities in Metropolitan Toronto examine the findings of the Commission's study, *The Organization of Administrative Support Services in Metropolitan Toronto* and take appropriate cooperative action.

Notes

1. Financial Post, "Survey of Markets."
2. Municipality of Metropolitan Toronto, *Submission to Royal Commission on Metropolitan Toronto Respecting Municipal Financing Problems* (Toronto, 1976), pp. 9-10.
3. Ministry of Treasury, Economics and Intergovernmental Affairs, *Regional Government in Perspective: A Financial Review*, Ontario Tax Study No. 11 (Toronto, 1976) p. 30.
4. See Harry Kitchen, *Public Finance in Metropolitan Toronto* (Royal Commission on Metropolitan Toronto, 1977), chapter 11.
5. Chairman's Office, Municipality of Metropolitan Toronto, *The Reform of Taxation and Government Structure in Ontario* (Toronto, 1975), p. 4.
6. Ministry of Treasury, Economics and Intergovernmental Affairs, *Regional Government in Perspective*, p. 31.
7. For a fuller discussion of these difficulties, see Karl Jaffary and Stanley Makuch, *Local Decision Making and Administration* (The Royal Commission on Metropolitan Toronto, 1977), pp. 55-63.
8. Municipality of Metropolitan Toronto, *Submission to The Royal Commission on Metropolitan Toronto Respecting Municipal Financing Problems*, p. 5.
9. Price Waterhouse Associates, *The Organization of Administrative Support Services in Metropolitan Toronto* (The Royal Commission on Metropolitan Toronto, 1977).

Chapter 11

Planning

Nothing illustrates the value of the flexibility of the Metro system's original legislation better than the land-use planning function. The powers and responsibilities of the two tiers in planning have changed little in the past twenty-three years, although the Metropolitan community, the nature of the planning function, and the rest of the municipal structure have changed dramatically. This planning system has been highly effective in ensuring the rational development of Metropolitan Toronto. But times and circumstances are changing, and it is important to reassess the organization for planning to ensure that appropriate structures will be available to meet the new challenges of the future.

Evolution of the Planning Function in Metropolitan Toronto

The Legislative Framework

Although a number of statutes deal with aspects of municipal planning, it is The Planning Act that establishes the basic structure of municipal planning in Ontario. This Act permits a municipality to develop an official plan which, in the words of the Act, "means a program and policy, or any part thereof, . . . designed to secure the health, safety, convenience or welfare of the inhabitants of the area, and consisting of the texts and maps, describing such program and policy, approved by the Minister from time to time. . . ." In general, official plans are intended to provide a framework within which municipalities can exercise their powers to pass zoning, subdivision control, development control, and other land-use regulation by-laws permitted under The Planning Act. These powers are exercised subject to the approval of either the Minister responsible for the Act or the Ontario Municipal Board, depending on which type of local planning by-law is involved.

In 1953 the original Municipality of Metropolitan Toronto Act charged the Metro level with the responsibility for preparation of an official plan for the Metropolitan Toronto Planning Area. This area included not only the 240 square miles within the Metro boundary, but also an additional 480 square miles in the rural townships adjacent to Metro. The Metropolitan Toronto Council was also given the power to pass zoning by-laws covering lands within 150 feet of Metropolitan roads, which would override local zoning by-laws in case of any conflict. The area municipalities were given responsibility for local planning, including the preparation of local official plans and zoning by-laws.

The 1953 Act was based on the assumption that a Metropolitan official plan would be prepared soon after the establishment of the Metro federation. The Act stipulated that once such a plan had been approved by the provincial government, subsequent local official plans, zoning by-laws, and public works would be required to conform to it.

Hence, from the outset both Metro and its constituent municipalities have had significant responsibilities in planning. Both have been subject to detailed supervision of their planning activities by the provincial government and in this respect

their powers have differed little from those of municipalities elsewhere in Ontario. The functioning of The Planning Act as it applies to all municipalities in the province was recently reviewed by a provincial committee chaired by Mr. Eli Comay, and the Commission had the benefit of several consultations with this group. The changes suggested by that committee had not yet been considered by the provincial government at the time the Commission's report was written.

The Metropolitan Planning Function: 1954–70

Although the final passage of an official plan was the responsibility of the Metropolitan Council under The Municipality of Metropolitan Toronto Act, the responsibility for developing the plan and recommending it to Council was vested in the Metropolitan Toronto Planning Board. This Board was the employer of the professional planning staff and it was responsible for the municipality's day-to-day planning operations. It was made up of members of Metro Council, school board representatives, and citizens appointed by Metro Council from the various parts of the Planning Area. The three main activities of the Board and its staff were the preparation of overall planning policies, development control, and planning for Metro's own facilities and services.

Metropolitan Planning Policies: Metro's overall planning policies were articulated through the development of a draft official plan. The first such plan, completed in 1959, established a basic land-use and development framework for the expected growth of the Planning Area. The decentralization of employment was proposed as a means of reducing the need for commuting, and a balance between roads and public transit was emphasized. The plan also proposed policies for the distribution of residential population, the preservation of open space, and the redevelopment of declining areas.

The plan was intended to be a framework for public discussion, and a number of revisions and further studies were made in the early 1960s in the course of preparing an official plan in a form suitable for adoption by Council and approval by the province. The report of the Goldenberg Royal Commission on Metropolitan Toronto in 1965 noted that no truly "official" plan had yet been adopted and it urged that this be done without further delay. In 1966, a formal draft official plan was submitted by the Metropolitan Toronto Planning Board to the Metropolitan Council.

The Metropolitan Council chose to adopt this draft plan as a policy statement for its own use but not to submit it to the provincial government for approval as a truly "official" plan within the meaning of The Planning Act. There were two main reasons for this decision. First, there was concern that once such a plan was adopted and the plans of area municipalities were required to conform to it, the process of making amendments to the various plans would be extremely lengthy and cumber-

some. Second, at that time the Metropolitan Planning Area covered by the proposed plan included municipalities beyond Metro's boundary, and these did not have representation on the Metro Council which would adopt the plan and any subsequent amendments to it. It was expected at the time that procedures would be worked out with local municipalities and the provincial government to overcome these problems. This was never done.

It has also been suggested that few Metro councillors were sufficiently committed to the policies in the plan to wish to be bound by them in the way which would result from the plan becoming "official." This is a matter of opinion and subjective observation, but it is important to note the perception that the absence of a strong Metro-wide political interest hampered the adoption of a fully effective official plan for the Metropolitan Planning Area at that time.

The 1959 and 1966 draft plans were used extensively as policy guidelines for Metropolitan activities. The 1966 plan formed the basic program for expressway and subway construction, and its land-use and services policies formed the basis for Metro's activities in development control and in the installation of sewer and water lines.

Development Control: A second aspect of the Metropolitan Toronto planning function was development control: the regulation of the design and specifications of new building and subdivisions. In this regard the Metro Planning Board provided assistance and staff to the smaller municipalities that lacked professional planning expertise in the early years. The Board also processed locally prepared subdivision plans and commented to the Ontario Municipal Board and the then Department of Municipal Affairs on local official plans and zoning by-laws and amendments. Metro's advice was almost always accepted by the provincial authorities. In later years the Metropolitan planning staff became less active in the development control field as the local municipalities expanded their own capabilities and the Metro role became one of ensuring that Metro interests were identified and protected in local planning documents. The activities of the Metropolitan level in development control and assistance to area municipalities undoubtedly helped to ensure that adequate development standards were established throughout the Planning Area at an early stage in the region's rapid growth.

Planning for Metropolitan Services: The third area of Metropolitan planning activity was technical planning assistance to Metropolitan agencies providing major facilities, such as trunk water and sewer mains and parks. Metro planning staff also assisted in the selection of sites for public housing and in the planning of these housing projects. This served to integrate and coordinate physical development and the provision of major urban services at a time when many facilities were being installed quickly and simultaneously.

Local Planning Functions: 1954–70

In 1954 different parts of the Metropolitan Planning Area faced quite different planning problems and had varied planning capabilities. The City of Toronto was experiencing deterioration in a number of its inner neighbourhoods. Consequently, in the first years of the Metro system, a major part of the City's planning effort was devoted to redevelopment and urban renewal studies and plans.

Throughout the Metro area, but particularly in areas close to the City, there were small municipalities that had been developed before the Second World War which did not have the redevelopment problems that concerned the City. Their planning efforts in the 1950s were preoccupied with a desire to preserve their stable residential areas and to ensure that new development advanced the social, economic, and physical well-being of the residents.

Most of the new growth was taking place in the large outer municipalities of Metro, the townships (now boroughs) of Scarborough, North York, and Etobicoke. Scarborough had a full official plan by 1957. Although the other two municipalities' official plans were prepared in the late 1940s and 1950s, their specific planning policies tended to be articulated through the processing of subdivision approvals and zoning by-laws which in turn were activated by specific private development proposals. It was 1970 before all of the area municipalities in Metropolitan Toronto had official plans in place and by then most had approved or were working on secondary or district plans. Most parts of Metro were by that time covered by fairly sophisticated zoning by-laws to govern development within the framework of these plans.

The 1970s: New Roles and New Attitudes

By 1970 the planning environment in Metropolitan Toronto was in flux. A more active role for the provincial government was emerging, and citizen resistance to transportation and apartment development policies was making a review of Metro's overall approach a pressing necessity. Local planning efforts were attempting to cope with the demands of citizens and elected representatives for more controls on growth and development. These trends and the fact that Metro began to reach the end of its supply of vacant land provide a setting for the municipal planning function that is sufficiently different from that of the past to warrant a new look at the organization for that function.

The Emerging Provincial Role

The expanded role of the Province of Ontario in decisions affecting the growth of Metropolitan Toronto and its surrounding region can be traced to the commencement in the early 1960s of the Metropolitan Toronto and Region Transportation



Michael Foster

Study (MTARTS), whose report in 1968 focused on the choices to be made between existing trends and alternative development patterns. In 1966 the Design for Development program of regional economic planning was launched, and in 1968 the regional government program was established as part of Design for Development. These initiatives constituted a broad framework for provincial and municipal efforts to provide public services for a growing population and to influence the pattern of economic and physical development.

The provincial government's goals regarding the choices outlined in the MTARTS report were contained in a major policy statement issued in 1970, entitled *Design for Development: The Toronto-Centred Region*. This statement proposed that future growth along the Lake Ontario shoreline be structured into two levels of urban settlement separated and defined by a parkway belt (a transportation, services, and recreation corridor). Development in the area beyond these communities to the north, west, and east of Metropolitan Toronto was to be closely controlled and limited to a low intensity. Further, the statement proposed that additional growth be decentralized to the north and east to selected growth points well beyond commuting range of the lakeshore area.

As development reached the Metropolitan boundary and went beyond it, a question of increasing importance was whether the boundary should be expanded

to place more of the Planning Area under the full political jurisdiction of Metro. The Goldenberg Commission suggested that such an expansion would be desirable unless the municipalities in these outlying areas were reorganized. The provincial government chose the latter course, and passed legislation in 1970 establishing the Regional Municipality of York and transferring responsibility for planning in the area immediately north of Metro from the Metropolitan Toronto Planning Board to the York regional government. Similar changes followed the establishment of the regional municipalities of Peel and Durham in 1974; Metro's planning jurisdiction was cut back to its own political boundaries. In 1975, in line with provincial policy regarding the planning function in upper-tier governments, the Metropolitan Toronto Planning Board was abolished and its responsibilities were transferred to Metro Council.

Transportation initiatives by the senior levels of government also affected planning in Metropolitan Toronto and its region. The decision of the provincial government to halt Metro's construction of the Spadina Expressway in 1971 marked the beginning of a more active role for the province in urban transportation, particularly in rapid transit. The federal decision (later deferred) to locate a second international airport in Pickering Township and the provincial decision to locate a new community adjacent to the airport required significant adjustments to the Toronto-Centred Region Plan.

The establishment of the provincial Ministry of Housing in 1973 also had implications for planning. The Ministry was given the responsibility for approving municipal official plans and for monitoring other municipal planning actions. It also developed a number of direct programs to stimulate the development of new housing. The Ontario Housing Action Program, for example, attempted to speed up housing development in and around Metropolitan Toronto by offering incentives to municipalities to approve development applications quickly.

The need for detailed refinement of plans for the central part of the Toronto-centred region led the provincial government to establish a provincial-municipal task force on the Central Ontario Lakeshore Urban Complex (COLUC) in 1972. The 1975 report of this task force identified key provincial decisions in fields such as transportation, housing, and physical services which would have to be made if the Toronto-Centred Region Plan as it applied to this central area were to be implemented.

In March 1976 the provincial Treasurer made a program statement to the legislature on planning in the Toronto-centred region. The statement reviewed work in progress on the preparation of official plans by the regional municipalities, but it did not deal with planning activities within the Municipality of Metropolitan Toronto and it took no position on the COLUC report.

North York's New Town Centre



Northway Survey Corp.

The Metropolitan Planning Function in the 1970s

By the early 1970s there was growing opposition to the continued high rate of physical development in Metro and to the expressways and other facilities that were needed to cope with it. With Metro reaching a stage of full development, it was clear that a fundamental review and updating of the 1966 plan was needed. Much of the groundwork for this was laid in the work of the Metropolitan Toronto Transportation Plan Review, a joint Ontario–Metro study which was begun in 1972. The more general studies and consultations leading to a new official plan were undertaken by the Metropolitan planning staff under a program known as Metroplan. These studies have provided a useful data base for many researchers studying Metropolitan Toronto, including those associated with this Commission.

In 1976 a report entitled *Concept and Objectives* was issued by the Metropolitan Planning Department. It was intended to serve as a basis for public discussion of future development by area municipalities and other interested parties prior to the drafting of a formal official plan. The proposed planning concept calls for decentralization of development through the stimulation of major subcentres at the Scarborough Town Centre and the Yonge–Sheppard–Finch corridor in North York.

In addition, about twelve regional subcentres are proposed, a number of which are already developed at a fairly high density. The document contains an open space concept as well as a human services planning framework. Additional reports on arterial roads, development phasing, and finance are being released as they are completed, and special studies are planned for such key areas as the Downsview airport.

The plan which is expected to result from this process in 1977 will go beyond the orderly phasing of new physical development and deal with all aspects of Metropolitan concern, although its policies will be based on many of the principles enunciated in previous plans. The emerging planning strategy addresses the question of land use only in the general sense for most of the Metropolitan area, but in strategic areas such as the subcentres, minimum density guidelines will be proposed. The proposals for a human services framework and for more formal interregional cooperation in planning both reflect a shift in focus resulting from the near-maturity of Metro's physical development. The plan will be closely tied to Metro's own financial capacity to implement its provisions for public services. At the time of writing, serious concern was being expressed about Metro's ability to sustain the major expenditures on transit facilities that would be needed to achieve the development of subcentres envisaged by the concept.

Planning in the Area Municipalities: 1970–76

The growing interest of citizen groups in local government continued to have a profound effect on the planning activities of the area municipalities after 1970. The preparation of secondary or district plans in the area municipalities involved a high degree of citizen participation, particularly in the City of Toronto and the boroughs of York and East York, and the resulting plans showed an increased concern with controlling growth and preserving neighbourhoods.

This concern with the rate of growth dominated the 1972 municipal elections in the City of Toronto, and the council elected in that year moved to develop new planning policies to reflect this point of view more fully. The downtown area was a particular preoccupation for the new City council, which began a long and controversial process of developing a new official plan for the central area. In 1976 the revised central area plan, zoning by-law, and housing policy was passed by the City council and forwarded to the Ontario Municipal Board. The plan's objectives include the decentralization of office and institutional development, the retention of low-rise neighbourhoods, the expansion of housing stock, the conservation of historic buildings, the avoidance of congestion in the transportation system, and the expansion of parks and recreation areas. Hearings by the Ontario Municipal Board began in January of 1977 and are expected to continue for most of the year.

The City of Toronto's plan for the central area is consistent with the general philosophy of decentralization embodied in the emerging Metropolitan plan. Among the outer boroughs, planning policies that attempt to foster the subcentres contemplated in the Metropolitan plan are emerging. In particular, Scarborough has invested substantial time and money in the development of its Civic Centre, with a dazzling new borough headquarters and a major shopping centre as its anchor points. At a smaller scale, the outer area municipalities are also considering the development of the sites bypassed by earlier development and a very limited amount of redevelopment is taking place.

The legislation governing planning in Metropolitan Toronto made it possible for public authorities to accommodate rapid growth and change during the past twenty-three years. The population of Metro has more than doubled in this period, and the growth rate of the outer boroughs averaged more than forty thousand persons annually for much of it. Through the flexibility permitted under the original legislation this growth has been accommodated without major disruption.

Since Metropolitan Toronto is now almost entirely built up, it is clear that the planning challenges of the future will be quite unlike those of the past. Future planning policies in Metro will require difficult political choices between strongly represented interests, and such choices must ensure that the needs of both the local and the broader communities are met. The slowing of public investment due to declining growth and financial constraints will limit the scope of plan implementation. And the impact on Metro of growth beyond its boundaries will be a vital concern.

A Better Planning Process

To be suitable to Metro's future needs, the planning process and structure must have certain characteristics. First and perhaps most important, the process should recognize that planning is political, involving choices between conflicting values. Accordingly, planning should be intimately related to political decision-making structures, and planning policies should provide a coherent direction to the development of the municipality but retain sufficient flexibility to permit adaptation to changing circumstances. Second, the planning process should maximize local autonomy by limiting the review and approval powers of bodies more remote from the local political scene than the local council. While there is no question that review powers are necessary to ensure that local planning meets the needs of the broader society and does not violate individual rights, it is no longer necessary for provincial authorities to review and formally approve municipal planning actions which are acceptable locally and are properly local in nature. Third, the planning process must ensure an adequate degree of planning coordination within governments and among the various levels of government, as well as an appropriate means of

resolving conflicts between governments on planning matters. Finally, the process must be open, clear, and easy for citizens to understand, and it must operate with sufficient speed and finality to ensure that neither the public interest nor the rights of interested parties are unduly reduced by lengthy delays of the type that now characterize the process.

The Commission believes it is appropriate that the area municipalities have the primary responsibility for detailed land-use planning, zoning, and development control as well as for related regulatory functions such as housing standards, maintenance and occupancy standards, and demolition control by-laws. Planning policies are the main means by which a municipality can guide the physical evolution of its communities and neighbourhoods. The level of government most familiar with the local area and the needs and desires of its people should have the responsibility for regulating land use within it. In addition, most of the services that must be coordinated with planning policies in a mature urban area – public works, schools, libraries, and recreation facilities – are also provided at the area municipality level.

The present system of supervision by the provincial Ministry of Housing and the Ontario Municipal Board is a legacy from the past, when municipalities did not have sufficient political or technical sophistication to provide an adequate standard of planning without detailed checking and direction from the province. It is evident that this is no longer true of the municipalities in Metropolitan Toronto. The present statutory powers of provincial authorities unnecessarily inhibit local autonomy in a key area of municipal decision-making and they lead to time-consuming delays for all concerned. This difficulty would not be much reduced if, as is permitted under the present legislation, the Minister of Housing's responsibilities under The Planning Act were delegated to Metro Council. As long as specific approval from a higher authority is required for virtually every planning action, the planning process will be long, cumbersome, and probably costly.

It must be recognized, however, that local planning policies must not frustrate the efforts of other levels of government to carry out their own responsibilities. For example, Metro must have an opportunity to ensure that local plans permit the realization of area-wide objectives and standards in fields such as transportation, policing, housing, and social services. Similarly, the provincial government must be able to secure its objectives with respect to population growth, major transportation links, economic development, housing and regional planning. It is also a provincial responsibility to resolve intermunicipal disputes as well as to ensure that local planning actions as they affect individual rights are consistent with the principles of natural justice. Finally, a local planning issue will occasionally become a political question of such importance that it can only be resolved by the provincial government.

All these interests could be looked after by a system in which official plans, zoning by-laws, development control by-laws, and subdivision plans passed by

local councils would become final within a set period of time (perhaps sixty days) provided that notice of such actions is sent to all interested parties and that there are no objections on grounds clearly defined in the legislation. Under such an arrangement, three types of parties could file objections. Metro could object on the basis that the local planning proposal conflicted with its official plan or other approved policies of the Metropolitan Council. A private citizen (including the owners of lands affected by the proposal) could object on the basis that the municipality used improper procedures or violated the rules of natural justice in developing and approving a local planning by-law. And the provincial government could object on the basis that the proposal conflicted with a stated provincial policy.

If any of the above parties filed an objection, a hearing by the Ontario Municipal Board would result. But such a hearing would be restricted to determining whether there was any basis for the stated objection, rather than the complete new hearing of the issue that is now required. In addition, the Board's responsibility would be limited to reporting its findings and recommendations to the Minister of Housing for final determination of the matter. This proposed system is illustrated in Figure 11.1.

This system of planning, if implemented, will permit routine local planning decisions to become effective in a much shorter time than is now possible. It will require those whose interests are affected by such decisions to raise their objections on the basis of specific grounds. While the province will retain the ultimate authority to make final decisions where necessary, it will be required to exercise this authority (even when the province itself is the objector) only after an impartial review of objections by the Ontario Municipal Board.

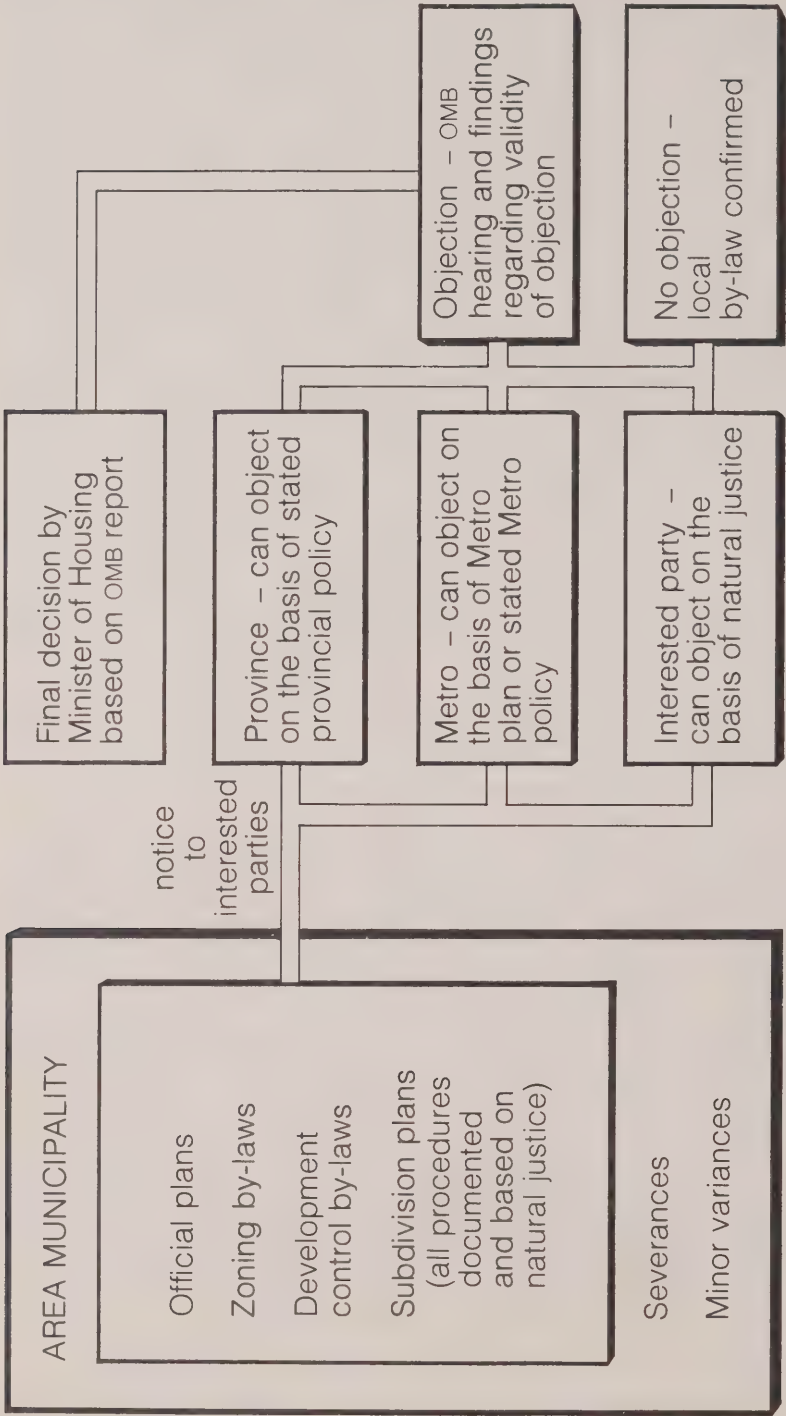
The implementation of this planning system will leave the decisions regarding the merits of planning proposals in the hands of locally elected representatives. The Commission believes that this is feasible and desirable in Metropolitan Toronto, and that the intervention of other governmental bodies should be limited to ensuring that the local decisions are taken according to appropriate procedures and do not conflict with policies of other levels of government.

Recommendation 11.1: Area municipalities in Metropolitan Toronto be given the primary responsibility for land-use planning within the framework of a Metropolitan plan.

Recommendation 11.2: An area municipality be required to notify all interested parties when it is considering passage or amendment of a planning by-law (i.e., an official plan, a zoning by-law, a development control by-law, or a subdivision agreement). Such parties, including private citizens and organizations, the Metropolitan Council and the provincial government, be notified again of the final passage of a planning by-law.

Recommendation 11.3: Planning by-laws passed by an area municipality acquire the force of law unless objected to by an interested party within a

Figure 11.1: Proposed Planning Process



predetermined period of their final passage by council.

Recommendation 11.4: Objections made by the Metropolitan Council or the provincial government to a planning by-law passed by an area municipality be based on and confined to an apparent conflict with the stated plans and policies of the Metropolitan or provincial governments.

Recommendation 11.5: Objections made by private citizens and organizations to a planning by-law passed by an area municipality be based on and confined to an apparent failure of the municipality to follow appropriate procedures according to the rules of natural justice.

Recommendation 11.6: The Ontario Municipal Board be responsible for hearing objections to municipal planning by-laws. The Board's findings and recommendations as to the validity of these objections be reported to the Minister of Housing for a final decision.

Provision should also be made for intervention in the municipal planning process when the consideration of a local planning proposal is being unduly delayed by the municipality. In such cases it should be possible for an interested party (including Metro or the province) to bring about a hearing by the Ontario Municipal Board on the question of whether such delay is unreasonable. If the Board were to find this to be so, it should order the municipality to expedite consideration of the proposal and set a deadline for its passage or rejection by council. The Commission does not expect that municipalities in Metro will frequently abuse their power in this way, but a remedy should be available should the occasion arise.

Recommendation 11.7: Any interested party be entitled to initiate a hearing by the Ontario Municipal Board on the question of whether consideration by a municipality of an official plan amendment, zoning by-law, development control by-law, or plan of subdivision is being unduly delayed, and the Board be given power to order the municipality to expedite the processing of the proposal and to establish a deadline for its disposal by council.

Political Structure for Local Planning

Because land-use planning requires choices to be made from among alternatives, and because there is frequently no objective way to decide which alternative is the most desirable, it is an essentially political process. In the Commission's view political decisions should be made by elected bodies who should be free to make or change policy within the framework of law and the rules of natural justice. If such decisions are initiated, reviewed, or approved by another governmental body, such action should be limited to protecting the interests of that level and should not constitute a second-guessing of policy on strictly local matters. In addition, the action should be carried out by an elected person or body or under the direct authority of such a person or body.

This is certainly not the situation in Metropolitan Toronto at the present time. Responsibility for developing planning policies in each of the area municipalities lies with appointed planning boards. Although official plans and their amendments are passed by a council by-law, a two-thirds majority is required in some circumstances for a council to overrule a planning board.

With the changes outlined above, the area municipalities would have greater freedom in developing and implementing land-use policies than they now have. The primary public hearings on local planning proposals would have to be conducted by municipalities, and any subsequent hearing by the Ontario Municipal Board would be limited in scope. Under the general power of delegation proposed in chapter 6, a council could assign responsibility for holding hearings to a committee or any other person or body, who would report findings and recommendations to council. In most cases this would be a more workable procedure than council holding such hearings itself.

The Commission thinks that planning boards, under their current statutory provisions, are no longer useful in Metropolitan Toronto. The statutory provisions governing the way in which municipalities establish and alter the status of planning boards are inappropriate in a system that already lacks clarity and accountability. In addition, the existence of planning boards tends to fragment the local policy-making structure and isolates a function that should be a central part of the efforts of a municipality to plan its physical development, its financial affairs, and its service programs in an integrated fashion.

While it is true that planning boards provide a means for citizens to be involved in local government, the Commission believes that these boards can do nothing to increase citizen participation that municipal councils with a broad power of delegation could not do themselves. For example, some municipalities may wish to have two or more planning advisory bodies to assist in the development of planning policies in various areas. In fact, councils and planning boards establish such bodies now for a variety of purposes. With a broader power of delegation, a council would be able not only to do this, but also may wish to vest a certain amount of authority in the planning bodies it creates: for example, the power to hold formal hearings, to negotiate with property owners, or to secure funding for projects.

It is unrealistic to suggest that the structure laid down in a provincial statute will be the most appropriate for all municipalities for all time. And it is inconsistent with democratic principles to require an elected body to muster a two-thirds vote to overrule an appointed body. For all these reasons the Commission suggests that its general approach to special purpose bodies be applied to planning boards. Councils should have the power to establish any planning bodies they deem necessary, but the ultimate political responsibility for planning must remain with the elected representatives.

University Avenue, 1951 and 1973



Recommendation 11.8: Authority for the establishment of planning boards within municipalities in Metropolitan Toronto be removed from The Planning Act and transferred to the municipal councils, which should have the power to appoint such planning bodies as they deem necessary.

In exercising the power of delegation to assist them in carrying out their planning responsibilities, councils should not be able to delegate their powers to pass official plans, zoning by-laws, redevelopment by-laws, development control by-laws, or demolition control by-laws.

Committees of adjustment are important to the implementation of local planning policies. In deciding on applications for severances of land and for minor variances from local zoning by-laws, these committees are required to be guided by the letter and the spirit of local official plans in making their decisions. Decisions of a committee of adjustment can now only be appealed to the Ontario Municipal Board. In chapter 6 it is recommended that authority for creating these bodies be transferred to municipal councils in Metropolitan Toronto. Certainly, some such body is necessary to provide a relatively informal process for adjudicating the inevitable cases in which the rigid application of local by-laws would prevent the reasonable use of land within the spirit of planning controls. The Commission has concluded that appeals of the decisions of committees of adjustment should be decided by the municipal council that appointed them, rather than by a provincial tribunal. While councils should be able to delegate their responsibility for hearing these appeals to a committee of their members, councils as a whole should be required to decide on them by resolution.

Recommendation 11.9: Authority to establish committees of adjustment for municipalities in Metropolitan Toronto be removed from The Planning Act and transferred to the municipal councils.

Recommendation 11.10: The responsibility for hearing and deciding on appeals of committee of adjustment decisions be transferred from the Ontario Municipal Board to the council which appoints the committee.

The Metropolitan Planning Function

Until now, the Metropolitan level has relied primarily on advisory devices and its direct servicing responsibilities to implement its planning policies. Because it has never adopted an official plan, Metro has not been able to use its power to ensure that local land-use plans conform to its policies, and the Metro power to impose its own zoning by-laws on lands within 150 feet of Metro arterial roads has never been needed. No perfect system has yet been devised to achieve an appropriate sharing of jurisdiction in planning between upper and lower tiers in metropolitan

governments, but the present arrangement in Metro has been quite successful in facilitating an orderly, humane, and efficient urban environment during a period of rapid growth.

The changes in the planning process recommended above would enable the Metropolitan level to play a proper role in relation to the overall physical evolution of the area without violating the area municipalities' fundamental responsibility for land-use planning. But this planning system will only be effective if the Metropolitan Council has an up-to-date, fully approved official plan to provide a guide, both for Metro initiatives and investments and for the planning actions of the area municipalities.

The Commission is aware of the circumstances that have prevented Metro Council from passing such a plan before now. Some of these, such as the problem presented by the townships lying outside Metro's boundary but within its planning area, have now disappeared. Others, such as the absence of strong political support for Metropolitan planning, should be eliminated or substantially reduced if recommendations in other parts of this report are implemented.

These changes in circumstances, plus that fact that The Municipality of Metropolitan Toronto Act now requires Metro to prepare and adopt an official plan, greatly increase the probability that the current Metroplan program will at last result in Metro having a formal official plan. But the Commission considers this matter to be sufficiently urgent to propose that the provincial government establish a deadline for the adoption of such a plan by the Metropolitan Council.

At the time of writing, the analysis necessary for the preparation of a Metro official plan was substantially complete. The process of securing reaction to the *Concept and Objectives* report from the area municipalities and other interested parties was nearing its end. The drafting of the final plan and its consideration by the Metropolitan Council can be easily achieved before 1 July 1978. Such a deadline is essential if the plan is to be certain of passage by the Metropolitan Council elected in 1976, and any plan passed much later than that date would be based on research and analysis that would be seriously out of date.

Recommendation 11.11: The Municipality of Metropolitan Toronto be required to adopt an official plan by 1 July 1978.

The Commission believes that the approval process for the Metro plan and any subsequent amendments should be similar to that proposed for the planning instruments of the area municipalities. It should become final if objections to it are not filed by a private party, the province, or an area municipality within a set period. An objection should result in an Ontario Municipal Board hearing limited to the basis of the objection, with the final decision on the findings and recommendations of the Municipal Board to be made by the Minister of Housing. Objections filed by area municipalities would necessarily be limited to their own stated plans and policies. While it is to be hoped that such conflicts would be worked out between

Metro and the area municipalities in the process of preparing the Metro plan, the Municipal Board hearing and provincial decision would permit open consideration of any stubborn conflicts and final resolution of them by the province. Objections by private citizens and organizations or by the province would be restricted in the same way as is suggested for objections to area municipal planning decisions.

When the Metro plan has become official, it should take precedence over all local plans and by-laws, as is now stipulated in The Municipality of Metropolitan Toronto Act. The Commission would expect the Metropolitan Council to identify local by-laws that require amendment, and set a reasonable deadline for this to be done. A means should also be provided for Metro to require compliance if this becomes necessary.

Recommendation 11.12: When a Metropolitan plan or amendment becomes official, all local plans and by-laws be amended to conform to it within a period of time to be set by Metro Council.

Recommendation 11.13: Where an area municipality fails to amend a by-law to conform to the Metro plan or amendment, Metro be empowered to initiate a hearing of the matter by the Ontario Municipal Board, and the Board be empowered to extend the time permitted by Metro or to order the amendment of the by-law forthwith.

With a Metro plan in place and the above powers to require conformity in the planning policies of the area municipalities, the Metropolitan level will no longer require its power to pass zoning by-laws covering lands within 150 feet of Metro roads. Metro's interests are primarily in the operation of the road, and these can be secured by its control over access and traffic regulations.

Recommendation 11.14: The power of Metropolitan Council to pass zoning by-laws for lands within 150 feet of Metropolitan roads be abolished.

The Commission's recommendations give area municipalities freedom to plan their future evolution without undue interference from other governments, but they permit these other governments an opportunity to secure the protection of their own interests. The result should be a clearer, more effective, and less time-consuming land-use planning process.

The Commission believes that the broadening scope of the Metropolitan and local planning functions requires explicit recognition and legislative endorsement. A proposal is made in chapter 16 for Metro to be assigned responsibility for developing a human services plan for Metropolitan Toronto in consultation with the area municipalities. It is further recommended in chapter 18 that the Metropolitan Council be the District Health Council for Metropolitan Toronto, and thereby assume responsibility for reviewing the level of health care within the area and advising the Minister of Health on priorities for the expenditure of funds on health care services and facilities.

As the Metropolitan planning function evolves, it may be considered desirable that policies for other Metropolitan services – police services, for example – be part of the Metro plan. This would be in keeping with the need for greater integration of the various functions of the Metropolitan government in the pursuit of its responsibility to meet area-wide needs.

The same can be said for the planning function at the area municipality level. While the scope of local planning will necessarily be heavily oriented to land-use questions, nothing should prevent an area municipality from using its planning process to develop and enunciate broader community goals and policies.

Recommendation 11.15: Metropolitan Toronto and the area municipalities be empowered to establish policies in their official plans concerning any matter within their legislative jurisdiction.

Planning in the Toronto Region

Coordination of planning policies in the Toronto region as a whole is an urgent necessity. While provincial statements on the future of the region have been helpful in general, municipalities have been unable to take full account of the regional implications of their detailed land-use plans ever since the jurisdiction of the Metropolitan Toronto Planning Board was cut back to the Metro boundary between 1970 and 1974. Even that arrangement was clearly inadequate in view of the amount of the region's growth which was taking place beyond the Metropolitan Toronto Planning Area as it then existed.

Metro and the regional municipalities in the Toronto-centred region are currently completing their official plans as required by statute. Each is addressing itself to such matters as the general disposition of land uses, the amount of employment which should be generated, major transportation links, and necessary housing policies. At the same time, the provincial government is examining key strategic issues such as employment, agricultural land, housing, and transportation. As the centre of the region, Metro has a vital interest in the content of these policies, and the provincial government and the other regional municipalities have an equally strong interest in ensuring that Metro's own plans are in harmony with their objectives for the overall region and its component parts outside of Metro's boundaries.

In the Commission's opinion, this problem cannot be solved by the present informal liaison mechanism – the Toronto-Centred Coordinating Committee – nor by bilateral discussions among the parties. The coordination of planning should be a major function of the Toronto Region Coordinating Agency proposed in chapter 8. This Agency will be able to examine the implications of all the planning policies of both provincial and municipal levels in the Toronto region and identify any major inconsistencies that may occur. It will be linked to the electoral bases of both the provincial and regional governments as well as to their administrative structures, so

that responsive and effective action can be taken. In addition, the Agency should review amendments to planning policies as these emerge from the constituent units from time to time. Finally, the Agency should be able to relate its work directly to other activities requiring interregional coordination, such as transit, housing, and watershed management.

In suggesting that the Toronto Region Coordinating Agency play a role in the coordination of planning efforts, the Commission is proposing that the Agency be a forum for discussion and cooperation, not another level of government. In examining planning policies from the perspective of the broader region, the Agency may assist in achieving greater harmony in the activities of its members, but the executive responsibility for these activities will remain with the governments.

Recommendation 11.16: The Toronto Region Coordinating Agency be the forum for coordinating the planning policies of provincial and municipal governments as they affect the development of the Toronto region.

Chapter 12

Housing

In recent years there has been a widespread and growing concern in Ontario, and particularly in the Toronto region, about the cost of housing generally, the declining ability of a family of moderate income to purchase a home, and the particular dilemma of low-income people seeking affordable accommodation. Provincial government actions have reflected that concern. A provincial task force study, completed in 1973, conducted an extensive investigation into the problems of the housing sector and in 1975 controls were placed on residential rent increases in the province for the first time during peacetime. While the "housing crisis" – the reasons for it as well as its solutions – is beyond the terms of reference of this Commission, the role of local government in Metropolitan Toronto in the housing field is an appropriate concern of this inquiry.

The Role of Government

Although the overwhelming proportion of Canada's housing stock has been and will probably continue to be built by the private sector, government has an important role in facilitating housing production and influencing its location, density, and form.* There are three broad categories of government involvement in the housing field: financing housing production and acquisition; deciding where housing will be built and regulating housing standards and landlord-tenant relations; and direct provision of assisted housing for people with low incomes. The financing role has been properly left to the senior levels of government; local government is most influential in the second and third areas of involvement.

Land-Use Regulation

Local government can encourage or inhibit the building of housing through its local planning policies, development controls, and zoning by-laws that govern the location, density, and type of housing. In Metropolitan Toronto these powers are exercised by the area municipalities, although the Metropolitan Council has authority to approve local plans of subdivision and to comment to provincial agencies on other local planning documents. In addition, the area municipalities, through their building standards and maintenance by-laws and their zoning regulations, control physical alterations and changes in the use of the existing housing stock. They also have a limited control over demolitions.

Direct Provision of Housing

The other area of municipal influence in housing is in the direct provision of low-income housing: rental accommodation is built and/or managed by govern-

* For a more comprehensive description of the role of government in the housing field, see Klein and Sears, *The Provision and Conservation of Housing in Metropolitan Toronto* (The Royal Commission on Metropolitan Toronto, 1975).



ment and rents are charged on a sliding scale that is geared to the income of the tenant. While assisted low-income housing is but a fraction of the total housing stock, it serves a group whose needs are not met by the private sector acting alone. Between 1952 and 1974, 8.5 per cent of all dwelling units completed in Metro were built as rent-geared-to-income housing.*

The obligation of local government to provide decent housing for people with low incomes has long been recognized in Metro. The first public housing project in Canada – Regent Park North – was built in the early 1950s by the Housing Authority of Toronto. One of Canada's first public senior citizen housing projects was built by the Township of York Housing Company in 1952. With the creation of the Metropolitan system of government, the Metropolitan Toronto Housing Company was established to provide senior citizen housing and homes for the aged. A year later the Metropolitan Toronto Housing Authority was formed and charged with developing a Metro-wide public housing program. The Authority embarked on several public housing projects during the next few years, all under the financial provisions of The National Housing Act.

Changes to The National Housing Act made it feasible for the provinces to provide public housing directly, and in 1964 the Ontario Housing Corporation was formed. The Corporation subsequently took over responsibility for construction and management of all family public housing in Metropolitan Toronto, leaving Metro

* This includes low-income family, senior citizen, and rent-supplemented units owned by the Ontario Housing Corporation and the Metropolitan Toronto Housing Company.

with responsibility for the provision of senior citizen housing. The Metropolitan Council maintained its involvement with family public housing by continuing to set targets for the provision of public housing units within Metro though it was not actively involved in meeting those targets.

Within a decade, however, the type of high-density, high-rise public housing projects being provided by Ontario Housing Corporation had run into strong resistance both in Metro and in other Ontario communities. Neighbourhood opposition to the form, scale, and concentration of these projects put a virtual halt to building any more of them by 1974.

A more recent approach to public housing is to disperse subsidized rental units within housing built for a wider income range. Under some programs, rent supplements are provided for units in private developments. Under other programs, federal and provincial low-cost loans and grants are made available to municipalities and to non-profit organizations to finance the development of new rental accommodation for low- and moderate-income tenants. The City of Toronto was one of the first municipalities in Canada to establish a non-profit housing corporation to take advantage of the new programs, and has provided eighteen hundred units of accommodation since 1973. The Metropolitan Toronto Non-Profit Housing Company was also established in 1975.

Housing for senior citizens has not given rise to the same degree of political difficulty as has family public housing and more than nine thousand units of this type of accommodation have been built by the Metropolitan Toronto Housing Company. Federal and provincial funds are used to finance the capital costs of this type of accommodation. Operating losses are treated in different ways, depending on the terms of the particular program under which the units were originally financed: for some projects they are borne entirely by Metro, and for others they are shared by one or both of the senior levels of government. Other housing services of the Metropolitan level include providing accommodation for three thousand persons in Metro-run homes for the aged, and a limited range of emergency shelter and hostel accommodation.

Table 12.1 shows the major programs under which low-income rental housing is currently provided in Metropolitan Toronto.

Purchasing property outright, with a view to providing the market with a supply of reasonably priced building lots, is another way governments have gone about trying to ease the housing situation. Public land assembly is intended to lower and stabilize the cost of land as a factor in housing production, and permit orderly land development. Such acquisitions are generally funded by the federal and provincial governments under the provisions of The National Housing Act. Both Metro and the area municipalities have the power to assemble land for residential purposes under The Housing Development Act, but most of the public land assembly in Metro was done by a federal-provincial partnership which turned over most of its lands to the Ontario Housing Corporation for development. Major assemblies have included

Table 12.1: Major Federal and Provincial Assisted Low-Income Housing Programs Utilized in Metropolitan Toronto

Housing program	Agency using program	Purpose of program
Low-income rental	Ontario Housing Corporation	To provide low-income (100 per cent rent-geared-to-income) family and adult housing projects
	Metropolitan Toronto Housing Company	To provide low-income (100 per cent rent-geared-to-income) senior citizen housing projects
Non-profit housing	City of Toronto Non-Profit Housing Company	To provide moderate-income housing with provision for a percentage of units to low-income tenants under supplementation.
	Metro Toronto Non-Profit Housing Company	To provide moderate-income housing for senior citizens with provision for low-income tenants under supplementation. Some family housing proposed.
Rent-supplementation	Ontario Housing Corporation	To provide low-income family housing rented from private developers or non-profit housing companies.

SOURCE: Planning Department, Municipality of Metropolitan Toronto.

Lawrence Heights, Thistletown, Edgley, Malvern, and the new community of North Pickering, a small part of which is within Metro. Recently, the City of Toronto, with federal financial assistance, became the first municipality in Ontario to initiate a land assembly program; the site is the 44-acre St. Lawrence development area in the core of the City.

A Changing Context

The circumstances of the housing industry in the Toronto region today are such that the private sector seems unable, without government assistance, to provide housing for people with low or even moderate incomes. High costs of land, construction materials, and capital have resulted in spiralling housing prices, which have risen 100 per cent in this Census Metropolitan Area between 1971 and 1975. This rise has been double the rise in average household incomes during the same period.¹

The volatile house sale market has had a significant impact on the rental market as well. A number of units – mainly apartments and row houses – that were formerly

rented have been sold on a condominium basis. Costs have been such that construction of new rental accommodation has been virtually halted. Simultaneously, however, the demand for rental accommodation has continued, occupancy rates have dropped to extremely low levels, and upward pressure on rents has resulted in the establishment and continuation of the provincial rent review program. Because of these trends, governments at all levels are looking for new ways of assisting the private sector to produce housing. Particular attention has been given to increasing the supply of affordable housing for those in the lower and moderate income ranges. While many of the factors contributing to the current housing situation, such as high interest rates, land speculation, and high costs of materials and labour, are beyond the jurisdiction of local government, a satisfactory resolution of housing problems is necessary to the continued health and stability of Metropolitan Toronto and the surrounding urbanizing region. A failure to solve the major housing problems will result in higher demands on a variety of local services that are provided by local government.

It is outside the Commission's mandate to examine the relative merits of the various housing policies and programs currently in effect. The Commission can consider only the political structures and processes that will enable local government in Metropolitan Toronto to make an appropriate contribution to the attainment of housing objectives in the future.

The Interregional Dimension

Although Metro's population growth appears to be stabilizing, the trend toward smaller family households and more non-family households means that the pressure for new housing accommodation will remain high. With Metro's supply of developable land rapidly diminishing, most new housing built in Metro will soon be limited to the infilling of isolated and relatively small parcels of land, and replacement of existing housing at similar or higher densities. According to projections, not all of the demand for housing created within Metro can be satisfied by this. It is expected that the rate of growth of employment within Metro will be greater than the rate of growth of population.² Thus the municipalities surrounding Metro will find at least part of their growth resulting from increased employment opportunities within Metro itself. The Toronto housing market must be seen as incorporating a much wider area than that lying within the geographic boundaries of Metro.

Regardless of how hard they try, local governments in Metropolitan Toronto can have at best only a small impact on the availability and cost of housing in the Toronto region. This does not mean that Metro will be unaffected by a failure to provide an adequate supply of affordable housing. On the contrary, if rising housing prices and declining vacancy rates in the Toronto housing market continue, there may be very serious consequences for the housing stock within Metro. Increased pressure for high-density development, general overcrowding, and

further pressures on housing costs are just some of the deleterious implications. If young families and low-income people cannot find adequate, affordable accommodation, a variety of social problems will undoubtedly arise.

Although these relationships are apparent and commonly recognized, the various governmental jurisdictions in the Toronto housing market have not made much progress in ensuring that their housing plans, targets, and policies are complementary, effective, and adequate. Nor has there been any agreement on the distribution of responsibility for facilitating housing production.

While opinions may vary about what constitutes the Toronto housing market, at the very least there are one provincial, five regional municipal, and about two dozen area municipal planning jurisdictions within it, each looking at housing as just a component of its overall planning responsibilities. This arrangement has serious consequences. Each planning jurisdiction is encouraged to assess its housing requirements in terms of the needs generated within its own boundaries, and is provided with little incentive for considering the housing needs, and in particular the low-income housing requirements, of the larger region as a whole. Furthermore, the public's ability to assess and compare the effort of each governmental jurisdiction in meeting housing needs is diminished.*

The recognition of the general nature, scope, and importance of a problem is not, however, an assurance that anything will be done to resolve it. The provision of housing, especially housing for low-income families, has attendant financial and political costs for municipalities. Public housing projects are seen as particularly burdensome since they generally require municipal cost-sharing and may, in addition, bring social and other problems into a community. New housing of all types generates short-term demands and long-term commitments for municipal expenditures on physical services, transportation facilities, schools, and the full range of human services. Although the federal and provincial levels of government sometimes subsidize the provision of these services, and developers in many instances provide physical services, it is easy to understand how municipalities may decide to discourage further residential growth in times of restraint. Such a policy may be adopted even though its social implications are recognized to be great.

The provincial government has acknowledged responsibility for leadership in providing adequate housing at affordable prices.³ An important aspect of that responsibility is to see that all the jurisdictions in the Toronto region accommodate a fair share of its growing population. This share will include, for the governments

* For example, a recent analysis of needs for low-income senior citizen and family housing conducted by the Metropolitan Toronto Planning Department indicates that while Metro satisfies approximately 50 per cent of its low-income housing needs, the regional municipalities adjacent to it accommodate only 8 per cent of the identifiable needs in those areas. (Planning Department, Municipality of Metropolitan Toronto, "The Assisted Housing Study," March 1977).



outside Metro, a portion of the requirement for housing generated by the continuing growth of employment opportunities within the smaller Metropolitan Toronto area.

The Commission is confident that there is a general consensus about the need for some process encompassing the entire Toronto housing market area that can develop housing targets, allocate their distribution, and assist in their implementation. Housing targets are required for the full range of housing types – market housing, senior citizen housing, and assisted low- and moderate-income housing. While negotiation and compromise will be required in determining the allocation of quotas to such areas, the province alone must be ultimately responsible for ensuring that the burden of accepting new housing is shared equitably among the various governmental jurisdictions in the Toronto region. The Commission recognizes that the establishment of housing targets and their allocation are merely preliminary steps but they are vital.

To date, the province has apparently been reluctant or unable to set firm targets and allocations. Much of its activity – for example, the direct provision of housing through the Ontario Housing Corporation – is undertaken only at the invitation and with the direct and active support of the relevant municipality.

Elsewhere in this report the Commission recommends the creation of a Toronto Region Coordinating Agency with a mandate to provide a forum for discussing problems and gaining consensus on the development of the Toronto region. Housing is one of the subjects in which this Agency could be most useful. The Toronto Region Coordinating Agency can provide an intergovernmental forum for the debate of housing targets and quotas for the Toronto region. It should be able to call upon professional staff from the province and the various municipalities in the region to provide the technical information that will inform this debate. Because the provincial minister responsible for coordinating provincial government activities in the Toronto region will be a member of this forum, greater consistency in overall provincial policies which affect the production of housing may be expected.

In recognition of the influential role performed by the federal government in the housing field, federal participation in the housing deliberations of the Toronto Region Coordinating Agency should be encouraged from time to time. Such participation may assist the federal government in integrating its own programs to meet the particular needs of this region.

Recommendation 12.1: The Toronto Region Coordinating Agency assess the housing requirements of the Toronto housing market and develop targets for market and low-income senior citizen and family housing; and the province ensure that responsibility for attaining these targets is shared equitably throughout the region.

The innovations that are required in the areas of financial assistance to developers and homebuyers, in land assembly, land servicing, and planning procedures, or in the direct provision and long-term financing of low-income housing, are all well beyond the terms of reference of this Commission. Nevertheless, if the external boundaries of Metropolitan Toronto are not expanded, then it is incumbent upon the province to ensure that the housing pressures generated within the greater Toronto region are met. This is vital for the continued stability and health of the Metropolitan Toronto community and is therefore clearly in the provincial interest. The Commission is confident that the province, as a participant in the Toronto Region Coordinating Agency, can work with all the municipalities concerned to facilitate the necessary housing production.

The Municipal Housing Role within Metro

Even though they are working within the constraints of a quickly diminishing supply of developable land, local governments in Metropolitan Toronto have an important role to play in encouraging the production of affordable housing, in the conservation and renovation of the existing housing stock, and in ensuring that other necessary local services are available for all housing projects. Some of these roles may be most appropriate for the area municipalities; others can best be fulfilled by

Metro. The Commission's proposals for the division of responsibilities have two objectives: the reconciliation of the need for an appropriate distribution throughout Metro of all housing types with the primacy of individual area municipalities in land-use planning; and the assurance that all the appropriate support services for residents of low-income housing are provided.

The Metro-Local Relationship

A strong case can be made for assigning the primary responsibility for facilitating production, conservation, and redevelopment of housing to the area municipalities. Housing development and redevelopment depends, in part, on planning, zoning, and development-control policies; these are now, and should remain, responsibilities of the area municipalities. The acceptability to local neighbourhoods of new housing projects depends to a great extent on the ability of elected representatives and local officials to ensure that development proposals fit in well with the existing community. It follows, then, that the capability of a government to facilitate the production of housing is enhanced if it has the responsibility both for controlling land use and for ensuring the implementation of housing targets.

However, there is also a need to assure that new housing construction in Metropolitan Toronto meets the requirements of people with different income levels and, in particular, that housing for low- and moderate-income people is available throughout the Metropolitan community, not in just a few areas. This is simply the application within Metro of the principle of shared responsibility for assisted housing suggested above for the greater Toronto region. Local community preferences as to the site, density, and mix of new housing may have to be compromised if they are not compatible with overall Metropolitan needs.

While a perfect solution to this dilemma probably does not exist, the two-tier system of local government provides an excellent mechanism for reconciling these area-wide and local needs. Some of the changes recommended in this report should make the system more capable of satisfying Metro's housing requirements. A directly elected Metropolitan Council is an appropriate body for allocating to each area municipality its fair share of low- and moderate-income housing.

Within the context of the objectives established by the proposed Toronto Region Coordinating Agency, and in consultation with the area municipalities, the Metropolitan Council's housing policy should contain production targets for the Metropolitan community. Targets should be established for senior citizen and low-income housing as well as for market housing, and should include conservation and renovation of existing stock as well as new building. In addition, Metropolitan housing targets should address such characteristics as the density, target income and tenure of new housing. Then, after consultation and negotiation with the area municipalities, the Metropolitan Council should allocate these housing targets among the area municipalities.

The responsibility would then be placed on the area municipalities to facilitate housing production. In most instances they would do this by expediting development proposals from the private sector, or by supporting the direct housing activities of the Metropolitan Municipality in the provision of low-income housing. The direct involvement of the City of Toronto in the production of non-profit housing could continue unimpeded, albeit within the Metropolitan housing policy framework. The City of Toronto's record of achievement and innovation in the housing field demonstrates the unique advantages that Metro's area municipalities have in the field of housing production.

It is to be expected that the area municipalities will take full account of their housing quotas while developing and modifying their official plans and zoning by-laws. Nevertheless, the possibility of conflict between Metro and local housing objectives must be anticipated and provided for. Under the Commission's proposals regarding planning, Metro Council will have the right to review all local planning initiatives and to lodge objections to local plans with the Ontario Municipal Board where they conflict with established Metro policy. Thus, all actions affecting housing development will be assessed by the standard of Metropolitan housing goals and objectives, and intermunicipal disputes not resolved by negotiation will be resolved by the provincial government after a hearing by the Ontario Municipal Board. Of course, if Metro should object to a local housing project, and if the area municipality were unwilling or unable to have the proposal modified, then the housing might not be built at all. This is certainly a risk, but the Commission anticipates that the membership of Metropolitan representatives on local councils will enhance local understanding of area-wide needs on one hand, and help ensure that Metropolitan housing objectives reflect local preferences as much as possible on the other.

Recommendation 12.2: The Metropolitan Council, in consultation with the area municipalities, be responsible for establishing housing targets as part of a comprehensive Metropolitan housing policy, and for the allocation of these targets among the area municipalities.

Recommendation 12.3: Metropolitan housing objectives be implemented through the planning powers of the Metropolitan Council.

Low-Income Housing

There are more than 40,000 housing units in Metropolitan Toronto occupied by people whose rent is subject to a public subsidy. Of these, almost 30,000 are public housing units built and managed by the Ontario Housing Corporation, serving low-income families and senior citizens. The Metropolitan Corporation has 9,300 senior citizens units, and the City of Toronto Non-Profit Housing Company has 1,800 units. It is an understandable but invariable characteristic of this type of



housing to require more than average attention from a variety of local, especially human, services.

The Commission is of the view that the extraordinary calls on municipal services made by tenants of assisted housing justify giving municipal, rather than provincial, government the responsibility for operating all assisted housing within Metropolitan Toronto. The system of local government provides the education, public health, recreation, and social services as well as public safety services such as fire protection and policing. The local level of government can best judge whether the community amenities available to people living in public housing are appropriate in light of those available to the community at large. Moreover, the local level can best tell whether a new assisted housing project will fit in with the existing community.

A substantial amount of low-income housing is already operated by local government, and the benefits to be achieved by strengthening ties with other local services are already being realized. But the bulk of the assisted housing stock in Metro is under the management and control of the Ontario Housing Corporation. In the Commission's judgment, the responsibility for management of these units should be passed to the Metropolitan level. This transfer should be a long-term goal of the province and the Municipality of Metropolitan Toronto: it would be unwise for Metro to assume the management of the entire housing stock of Ontario Housing Corporation in Metro in one step. There are bound to be a number of transition problems, and these should be worked out as far as possible on a pilot basis before large numbers of tenants and units are affected. Moreover, it is likely that Metro will

want to experiment with different approaches to managing this housing stock, and innovation would be encouraged by a gradual assumption of these units.

Recommendation 12.4: The Metropolitan Council gradually assume responsibility for the existing housing stock of the Ontario Housing Corporation in Metropolitan Toronto.

Metropolitan Toronto has proved its competence in the direct provision of subsidized housing for senior citizens, and in the Commission's view it should be made responsible for the development of new housing for low-income families as well. This does not mean that the province should abdicate its role in assisted housing, but rather that in Metro, it should confine itself to providing financial assistance to Metro's assisted housing activities.

Notwithstanding the demonstrated competence of Metro in the assisted housing field, it is undeniable that the area municipalities, because of their land-use and local planning responsibilities, are in a particularly advantageous position to provide assisted housing if they so choose. While the Commission recognizes that not all area municipalities will be prepared to embark on such housing initiatives, Metro should be encouraged to delegate all or part of its low-income housing responsibilities to any area municipality willing and able to carry them out. The City of Toronto has demonstrated the competence and the willingness to do this now.

Recommendation 12.5: The Metropolitan Council be responsible for the direct provision of all low-income family and senior citizen housing in Metropolitan Toronto, and delegate this responsibility to any area municipality willing and able to undertake it.

Notes

1. Ministry of Treasury, Economics and Intergovernmental Affairs, Ontario Statistics, 1975.
2. Planning Department, Municipality of Metropolitan Toronto, "Concept and Objectives," May 1976, p. 55.
3. Hon. John Rhodes, Minister of Housing, Opening Statement, 1976-77 Estimates Debate, 23 April 1976.

Transportation

All levels of government are deeply involved in transportation. They plan it, they provide it, and they use it. The federal government, for example, has jurisdiction over navigable waters, harbours, air travel and airports. It regulates interprovincial and international transport, and owns railways and airlines. Either directly or through its agencies, it owns large tracts of land used for rail yards, airports and ports. Similarly, the provincial government builds highways, regulates their use, operates buses, trucking services, air passenger services, trains and ferryboats.

Such is the nature of transportation that, despite the large role of the senior levels of government, local governments also play an important part. They build roads and expressways, and operate buses, streetcars, and subways. They are involved in planning and operating port facilities, and they regulate the traffic of cars and trucks, parking, and the taxi industry.

Major urban areas such as Metropolitan Toronto give rise to more, and more complex, transportation issues than do small communities. They serve as important origins and destinations for people and goods moving in the national and provincial transportation systems, and the smooth flow of all this traffic to, from, and within these areas is a constant concern of all levels of government. From the point of view of local government, however, appropriate policies and facilities for permitting efficient movement *within* urban areas are even more important. It is essential, therefore, that local government structures and processes for transportation planning, operations and finance be reviewed regularly and adjusted when necessary to meet contemporary circumstances.

In previous chapters, a number of these circumstances as they pertain to Metro were outlined: Metro is now nearing a stage of full physical development; the area surrounding it continues to grow and has an unremitting impact on Metro; and financial circumstances are such that there is an unprecedented need to control costs of public services. In addition, factors such as the availability and cost of energy and the concern for preserving the quality of life in urban neighbourhoods have a significant impact on transportation decision-making.

Transportation Planning

Transportation facilities are complex, costly to build, and require a long planning process involving progressively greater levels of detail. This process and the various stages of refinement involved in it are outlined in an idealized form in Figure 13.1. The process can be considered to have four main stages or levels of detail.

Strategic planning requires the examination of broad long-range options and policy issues and should result in the establishment of overall transportation goals for a twenty- or thirty-year period to provide a context for current decisions. Within Metro, strategic planning is the responsibility of the Metropolitan Planning Department, and finds its expression in Metropolitan and local official plans and policies.



Functional planning involves identifying major transportation facilities that are required, determining their location, and deciding construction priorities; the results are found in the multi-year capital budgets. The Metropolitan Planning Department plays a major role in this aspect of transportation planning, as do other local public bodies such as the Metropolitan Roads and Traffic Department, the Toronto Transit Commission, and, to an extent, the area municipalities.

Project planning is carried out following a decision to build or modify a specific transportation facility, and results in changes to the annual capital program and a detailed local planning document. Such planning is usually carried out by the agency responsible for the facility.

Operational planning is undertaken to ensure the efficiency of any part of the transportation system, and is reflected in capital and operating budgets. This type of planning is done by the agencies responsible for the facility or service, although the opinions of other planning bodies and users are frequently part of the process.

Figure 13.1: Transportation Planning Process

	Time horizon	Elements	Linkages	Typical means of expression	Examples
Strategic planning	20-30 years	Broad goals and objectives	Other strategic and general plans	Official plan	MTARTS, 1966 Metro draft official plan
Functional planning	2-10 years	Major lines and facilities, priorities	Local official plans, capital plans and forecasts	5-year capital budget	Metro Arterial Roads Plan
Project planning	1-3 years	Detailed design, cost estimates, construction schedules	District official plans, zoning by-laws, plans and operations of public utilities	Annual capital construction program	Spadina subway, Don Valley Parkway extension
Operational planning	1-3 years	Improvements in service based on relatively minor physical change	Transportation system users and operators	Annual operating budget, multi-year operations and capital plans	Exact fare systems, reserved bus lanes, one-way street plans

Though no political system can be expected to operate in perfect accord with this ideal logical model, it is useful to keep the model in mind when studying an existing system. It appears to the Commission that there are several ways in which the current distribution of responsibilities regarding transportation may be modified to make the whole system more effective and better integrated. In part these suggestions deal with the system of transportation planning, operation and finance within Metro, and in part the interrelationships of the responsibilities of the various levels of government concerned.

Transportation Organization Within Metropolitan Toronto

The Planning Process

Strategic planning for transportation is now carried out as part of the overall Metropolitan planning process, and functional planning of transportation facilities is an important element in both land-use planning and capital budgeting at both Metro and area municipality levels. This arrangement permits the integration of transportation policies with other municipal priorities, particularly with regard to land-use planning.

At the Metropolitan level, confusion as to the planning role of the Toronto Transit Commission has sometimes resulted in less than adequate coordination of functional, project, and operational planning. The composition and responsibilities of the Toronto Transit Commission are provided for in The Municipality of Metropolitan Toronto Act, which empowers Metro Council to appoint the five members of the Commission and specifies the financial relationships between the two bodies.

Since the Act requires the Toronto Transit Commission “to plan for future development of [passenger] transportation,” for example, there is potential for confusion and for duplication of effort between the Toronto Transit Commission and the Metropolitan Council. If the Commission’s recommendations concerning special purpose bodies are implemented, this type of difficulty will be easily overcome, since it will be the Metropolitan Council rather than the provincial government that will decide the role and responsibilities of any Metro transit operating body.

The Toronto Transit Commission is one of the most efficient urban transit organizations in the world, and the Commission is certain that the Metropolitan Council will avoid exercising its powers in any way that would diminish this efficiency. But the Council must have and retain the clear responsibility for transportation planning and ultimate responsibility for finance and administration that will result from the Commission’s proposals. Only in this way can the necessary coordination of, and the effective accountability for, local services be achieved.

Recommendation 13.1: The responsibility for establishing arrangements for operating the transit system be vested in the Municipality of Metropolitan Toronto.

Roads

The planning, construction, and maintenance of roads is a shared responsibility between the province, Metro, and the area municipalities. The road system for which Metro is responsible is intended to serve major traffic generators and to accommodate the bulk of medium-distance movement of goods and services within the Metropolitan boundaries. The 430-mile system includes the Don Valley Parkway, the Gardiner Expressway and the William Allen Expressway, most arterial roads, some other major roads, and sections of provincial highways 2, 5, 11, 11A, 48 and 50 within Metro. The provincial government is responsible for provincial expressways within the area: the Queen Elizabeth Way and highways 400, 401, and 427. All other public roads in Metro, mainly local streets, fall under the jurisdiction of the area municipalities, although Metro has responsibility for centralized control of traffic signals throughout the area. Map 13.1 illustrates the Metro road system.

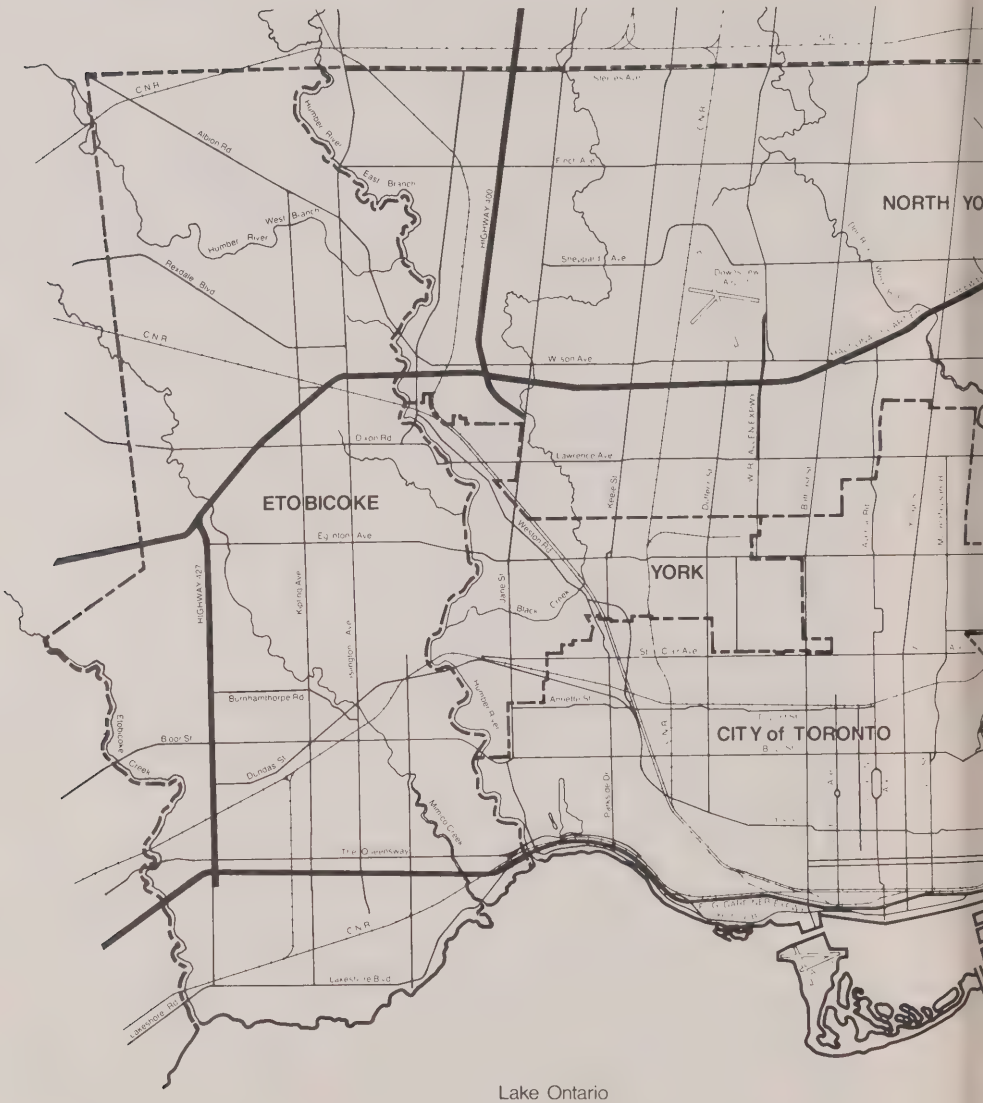
This arrangement works well and is a demonstration of the success of the Metropolitan system in satisfying area-wide and local needs. In the past ten years there have been some bitter disputes over road proposals in Metropolitan Toronto, but the structural arrangements have been such that some solution has been possible, although not always to the complete satisfaction of all parties. The Commission’s proposals for improvements in the planning process may help to expedite resolution of future conflicts in this field.

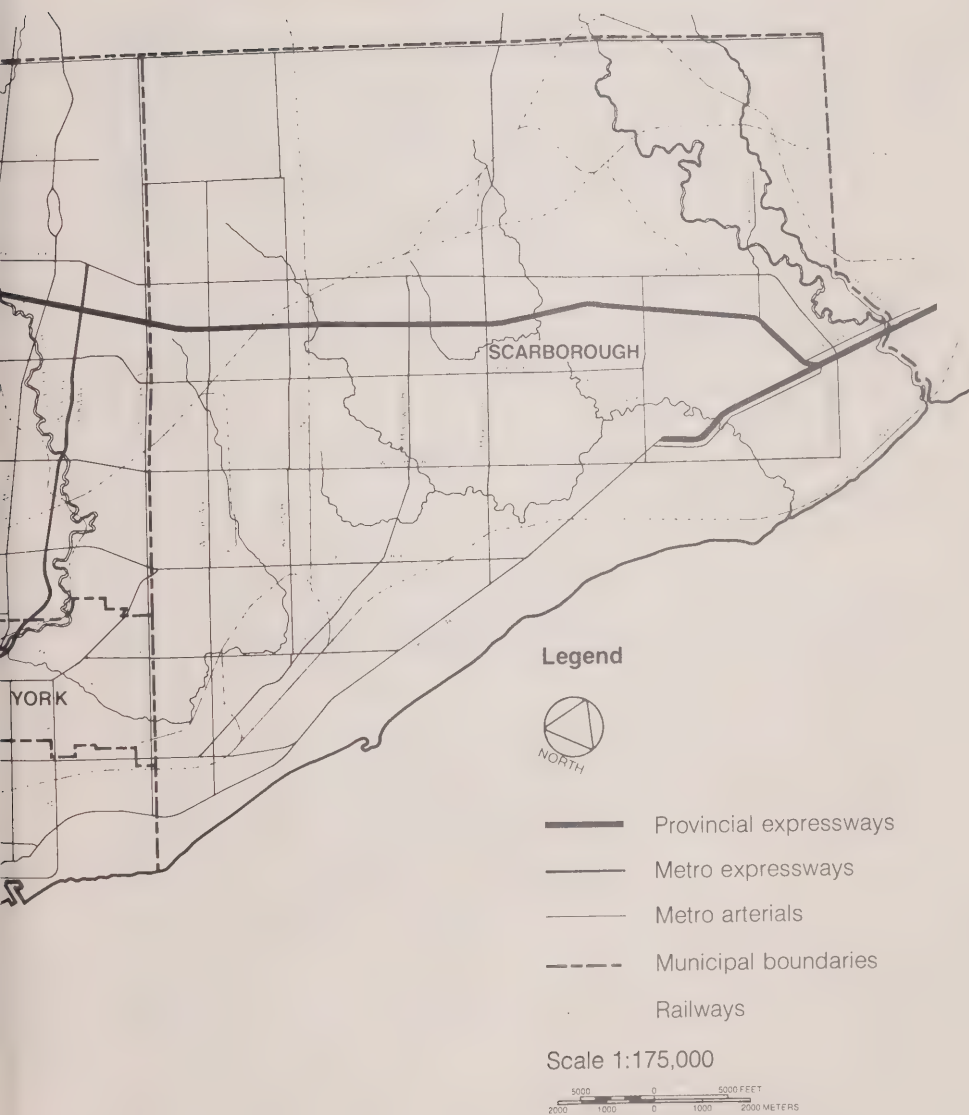
An issue requiring some attention is that of road designation. The Municipality of Metropolitan Toronto Act currently contains provisions enabling Metro and the area

The QEW at Highway 27, 1953 and 1973



Map 13.1: Existing Metropolitan Roads System





municipalities to redesignate roads and, by agreement, transfer responsibility for them from one level to the other. This arrangement recognizes that the functions served by a particular road may change over time, making it logical for a Metro road to become a local road and vice versa as circumstances dictate. As long as redesignations are done for functional reasons – to improve the road and traffic system – this is a perfectly satisfactory arrangement.

It appears, however, that the financial arrangements that accompany redesignations could have a strong influence on decisions in this area. When a local road is transferred to Metro, the outstanding debt related to this road is transferred also. But when a Metro road is transferred to an area municipality, the debt remains with Metro. Thus, the present system inadvertently offers a financial incentive for area municipalities to make major improvements in roads prior to turning them over to Metro, in the knowledge that the capital costs will be borne by Metro. In turn, because the capital costs for Metro roads remain with Metro if they are transferred to the lower tier, area municipalities may be encouraged to assume responsibility for roads which might best remain part of the overall arterial road network. A reciprocal arrangement with respect to the assumption of debenture debt would at least partially overcome this anomaly.

Recommendation 13.2: Transfers of responsibility for roads between the two tiers be accompanied by responsibility for repayment of any outstanding debt associated with such roads.

Other aspects of the arrangements for the redesignation of roads require review and amendment from time to time. These arrangements were being considered by Metro and the area municipalities at the time of writing; the Commission is confident that mutually satisfactory solutions can be found without further comment on them in this report.

Another function that might be mentioned here is that of servicing and maintenance of Metro roads. It was recommended to the Commission that area municipalities be given responsibility for the clearing and routine maintenance of all roads (including Metro roads) within their boundaries, with Metro reimbursing area municipalities for costs related to Metro roads. It was suggested that such an arrangement would permit the most effective and economical use of equipment, and recognize that the distinction between a Metro and a local road is often completely arbitrary in regard to the deployment of workers and equipment for snow removal, street cleaning, or routine maintenance. Metro now sets priorities for work on its roads according to their importance to the Metro-wide system of movement; such arrangements would have to continue under this proposal.

The proponents of this proposal have been unable to bring forward any evidence that economies or tangible improvements in operational efficiency could be achieved by its implementation. Nor has the Commission found any in the course of its research. Accordingly it must be concluded that the present arrangement, with

its virtues of financial accountability and clarity of responsibility, should be continued. If there are Metro roads that are important locally and not receiving sufficient attention, they might well be candidates for redesignation under the procedures discussed above.

Parking

Traditionally, parking has not been considered an important element of the total transportation system, and little has been done to plan, coordinate, or control its provision. To date, paid parking has been provided largely by the private sector subject to the discipline of market forces, though both the City of Toronto and the Borough of York provide off-street parking in competition with the private sector. In addition, Metro and local roads themselves are used for parking under various regulations established by the government with jurisdiction over them.

It is now recognized that people can be encouraged to use public transit rather than private cars if parking charges are high enough when they get to where they are going. It is also recognized that streets choked with cars make buses and streetcars much slower and less efficient. Finally, it is well known that illegal parking on the streets that so often adds to congestion will not be eliminated so long as parking fines and parking lot charges are virtually the same. Thus the efficiency of the overall transportation system is in part dependent upon an appropriate and comprehensive parking policy and organization.

Since it is the Metropolitan Council that has responsibility for area-wide transportation planning, that body should have ultimate control over parking to ensure that this aspect of the transportation system contributes to the effectiveness of the whole. The most important step in securing this control is to make explicit provision for the inclusion of a parking policy in the Metropolitan official plan and related transportation policies. The Commission recognizes, however, that certain aspects of parking are entirely local and should be left to the area municipalities. Metro's role should be limited to the broad parking policy necessary to the effective functioning of the total transportation system.

Recommendation 13.3: The Municipality of Metropolitan Toronto have the power to develop and establish a parking policy and to include it in its official plan. Such policy be limited to broad objectives for the provision of major parking facilities oriented to the transit system and policies concerning the price of public and commercial parking space.

Both Metro (through the Toronto Transit Commission) and the area municipalities now have the power to develop public parking facilities. This arrangement could continue within the framework of a future Metro parking policy. But to implement its policy, Metro will require some additional power to regulate the price of parking, regardless of who provides it.

Private parking lots—particularly those in the core—frequently serve as an interim use for properties that their owners intend to develop eventually for more intense use. The price of parking on these spaces often is set to recover just the cost of holding this land, rather than to recover all the costs, as would have to be done if it were to be in permanent parking use. Some public parking operations, such as the Toronto Parking Authority, have recently been designing their pricing schedules to discourage people from driving to work. Before any major impact will be felt, however, the price of most available parking space must be subject to regulation according to transportation policy objectives. This should be a Metro responsibility since that level will be responsible for transportation planning and parking policy. The general licensing power proposed for Metro in chapter 15 will provide an effective means of implementing this responsibility. The Metropolitan Council has the additional strength of representing suburban as well as City residents who will be affected by the policy.

Recommendation 13.4: The Metropolitan Council be empowered to regulate the rates of public and private off-street parking facilities as part of its general licensing power.

A similar point can be made with regard to the other “price” of parking—the level of fines for parking violations. The responsibility for this now lies with the area municipalities. Because the by-law enforcement is done by the Metropolitan Police and Metropolitan parking enforcement personnel, it is essential that one scale of fines be in place throughout the area if confusion and frustration among citizens and enforcement personnel are to be avoided. It has been impossible recently to obtain unanimous agreement among the area municipalities on revisions to the scale of fines, even though there is general agreement that they are such a weak deterrent to illegal parking that the capacity of the street system is seriously impaired. The Commission believes that the Metropolitan Council should have the ultimate responsibility to make changes in the scale of fines for parking if the area municipalities are unable to agree on this question.

Recommendation 13.5: The Metropolitan Council have the responsibility for proposing changes in parking penalties to the area municipalities and the power to implement such changes if the area municipalities are unable to agree on appropriate changes.

Finance

The Commission recommends in chapter 10 that transportation be one of the services subject to three-year cost-sharing agreements negotiated between local governments in Metro and the provincial government. This arrangement would replace the present system of conditional grants for roads and transit whereby the province pays varying proportions of the costs of municipal transportation works

and services. In chapter 4, it is recommended that all of the area municipalities be treated similarly regarding eligibility for subsidy under provincial assistance programs. This would eliminate the present discrepancy between the City of Toronto and the boroughs in their eligibility for road subsidies; the boroughs are now considered to be townships for the purpose of this assistance and accordingly receive a higher level of subsidy than the City.

Transit Finance

The most significant change in transportation finance in the past ten years is in the financing of the development and operation of the transit system. Until the late 1960s the Toronto Transit Commission was able to finance its operations from the farebox, and its capital projects from provincial and Metro subsidies added to its own revenues. Up to then, the transit system was treated as a public utility; it provided a service at a price that was set to cover costs. The recognition of the value of public transit as a means of relieving congestion and as a tool for influencing physical development changed that orientation. The elimination of the two-zone fare system in 1973, efforts to freeze or hold down increases in transit fares in the face of rising costs, and the implementation of provincial subsidy programs for operating deficits in 1971 were all manifestations of this shift in philosophy. The result, combined with other factors such as rising energy costs and major increases in wage rates for transit personnel, was that the Toronto Transit Commission's operating deficit increased from less than 3.5 per cent of its total expenditure in 1971 to nearly 27 per cent in 1976.

In this period, Metro and the province have become increasingly involved in meeting the costs of public transit from their own tax revenues. The present financing arrangements are outlined in Table 13.1.

The Metropolitan Toronto Planning Department has estimated that if average per-passenger fare revenue had kept pace with inflation since 1971 through fare increases and service changes, the 1976 operating deficit of the Toronto Transit Commission would have been about \$10.6 million rather than the \$35.5 million it actually was. The department estimated that indexed fare increases would have reduced ridership by less than 3 per cent.¹ Such steps would undoubtedly have been unpopular, and may not have been appropriate in view of other priorities, but the figures serve to demonstrate the extent to which transit has become a political matter of pursuing community objectives rather than the mere provision of a service at cost. And since the decisions are essentially political, they should be the responsibility of Metro Council – a suggestion incorporated in the recommendations in chapter 6 about special purpose bodies. If those recommendations are implemented, Metro Council will have the authority to determine the level of transit service to be provided and the relative proportions of the costs to be met from fare revenues, from taxes, and from grants.

Table 13.1: Transit Financing in Metropolitan Toronto, 1977

Capital costs (construction and acquisition of assets)		
25% of costs		– Metro subsidy raised through a 2 mill levy for transit purposes plus debentures as necessary.
75% of costs		– provincial subsidy.
Operating costs		
Approximately 70% of operating expenditures including debt servicing		– from transit fare revenue.
13.75% of operating expenditures (not to exceed 75% of the TTC's operating deficit)		– provincial subsidy under cost-sharing formula (see Table 13.2)
Special assistance (50% of the first-year start-up costs of a new high capacity system)		– provincial subsidy.
The remainder of the operating deficit		– Metro subsidy from general revenues.
Development and demonstration projects		
Negotiable subsidy up to 100% of costs		– provincial subsidy

Table 13.2: Ontario's Transit Operating Grants, 1977

Population	Target for Revenues as a % of Total Operating Cost	Subsidy as a % of Operating Cost
0 – 100,000	50.00	25.00
100,000 – 150,000	55.00	22.50
150,000 – 200,000	60.00	20.00
200,000 – 1,000,000	65.00	17.50
over – 1,000,000	72.50	13.75

SOURCE: Ministry of Treasury, Economics and Intergovernmental Affairs, 1977 *Ontario Assistance to Local Governments*, p. 11.



It is quite appropriate that the provincial government contribute to the costs of local public transportation systems. Such contributions recognize the provincial interest in reducing the costs of travelling to work, conserving energy, reducing air pollution, easing congestion on provincial highways in the area, and similar factors. A recent change in funding arrangements bases the provincial subsidy on costs rather than on the size of the operating deficit. The new formula, outlined in Table 13.2, establishes targets for revenues as a proportion of operating costs; municipalities only receive the full subsidy if they meet the target for their category. In addition, the level of subsidy declines as population increases, leaving Metro with the lowest rate of subsidy. This formula reflects the fact that transit systems in larger cities have greater potential for self-support, and it provides a degree of certainty of funding in future years and flexibility in the use of the funds while encouraging economy within the transit system. But it remains to be seen whether it provides an adequate degree of provincial support for the Metropolitan Toronto transit system, particularly now that Metro's own revenues are stabilizing while transit costs continue to grow. The Commission assumes the formula will be closely monitored from this point of view.

Federal and Provincial Transportation Responsibilities and Local Government

Because Metropolitan Toronto has such an important place in the movement of people and goods throughout Ontario and the whole country, the interest of the federal and provincial governments in transportation facilities within the area is great indeed. Most of the issues that arise from the pursuit of these interests are resolved on a day-to-day basis as part of the regular processes of government. The Commission's concern is limited to an examination of the mechanisms through which the needs of the broader jurisdictions are reconciled with the activities and interests of the local level of government in Metropolitan Toronto.

Federal Activities

Federal responsibilities for regulating and providing air, rail, and water transportation services have considerable impact on Metropolitan Toronto. In most cases, the reconciliation of national and local interests takes place through ad hoc consultative arrangements. Thus, for example, when the Government of Canada finds it no longer needs lands that have been used for a military base, federal representatives now usually work with local and provincial officials to find ways of putting the property to other uses. Similarly, vexatious operational problems such as the regulation of taxis serving the Toronto international airport are often resolved through cooperation among the federal, provincial, and local agencies involved.

The Toronto Harbour Commissioners is the only permanent transportation body in Metropolitan Toronto in which the federal and municipal levels of government provide a transportation service in partnership. The Toronto Harbour Commissioners was established by federal statute in 1911 to manage the port of Toronto. The establishment of local commissions of this type recognizes that the federal responsibility for this function can best be carried out by a locally based body that provides a voice for the interests of local residents and businesses.

At present the Toronto Harbour Commissioners is made up of two members appointed by the federal government and three appointed by the City of Toronto. The agency has responsibility for developing and managing the lands and facilities necessary for the operation of the port of Toronto. It also operates the Toronto Harbour Police* on contract with the City of Toronto, and it owns and operates the Toronto Island airport.

Most of the land south of Front Street between Bathurst and Leslie Streets has been artificially created by landfill operations of the Harbour Commissioners during the past century. The Commissioners have retained ownership of much of this land, although a significant amount of it is not now in port-related use.

* The Commission's comments on marine policing are to be found in chapter 15.

Port of Toronto



As a federal agency, the Harbour Commissioners is exempt from municipal taxes and land-use planning controls, although in practice it normally conforms to local planning by-laws. In addition, the Harbour Commissioners has a statutory power to control the use of lands in the vicinity of the port to avoid a possible use that might conflict with the operations of the port.

The partnership between the City of Toronto and the Government of Canada through the Harbour Commissioners has been effective in permitting – and indeed encouraging – close cooperation between the two levels of government in the development and management of the port. Its effectiveness is noted with admiration in some parts of Canada where ports have different management structures. There are only two aspects of this arrangement on which the Commission need comment: the composition of the Toronto Harbour Commissioners, and the application of local land-use controls to lands in the vicinity of the harbour.

At the time of writing, it appears that the Toronto Harbour Commissioners will in future be made up of three federal appointees, three municipal appointees, and one person appointed by the federal government upon the recommendation of the Metropolitan Toronto Board of Trade. The commissioners are to select their own chairman.

This appears to be a satisfactory arrangement in most respects, but the Commission believes that the broader Metropolitan area should be represented on the Harbour Commissioners as well as the City of Toronto. The Harbour Commissioners estimates that in 1973-74, 80 per cent of all truck movements centred on the harbour started or ended inside the Metropolitan area, and although no detailed statistics are available, it seems probable that a substantial proportion of these were to and from points in the boroughs rather than the City of Toronto. It is also pertinent that Metro has responsibility for major ground transportation systems and for area-wide planning, both of which have important interrelationships with the activities of the port. It is appropriate, therefore, for Metropolitan Toronto to have the right to appoint a member to the Toronto Harbour Commissioners. Because of the importance of the port in the development of the City's waterfront, however, the City should retain the preponderance of the local representation.

It would be possible under the present federal legislation for Metro to appoint a member to the Harbour Commissioners and it is expected that future amendments will not change the legislation in this respect.

Recommendation 13.6: Local government in Metropolitan Toronto to be represented on the Toronto Harbour Commissioners by two representatives appointed by the City of Toronto and one representative appointed by the Municipality of Metropolitan Toronto.

The continuing presence of municipal representatives on the Harbour Commissioners will do much to ensure that the port develops in a manner that is harmonious with plans for the broader Metropolitan area of which it is an integral part. In view of the extensive land holdings of the Harbour Commissioners, however, it would be useful to clarify the extent of control that body can exercise over lands that are not in port or port-related use.

The present powers of this federal agency regarding land use are not so much inappropriate as unclear. One interpretation is that these powers apply to all lands in the hands of the Harbour Commissioners regardless of their present use, as well as to all lands in the vicinity of the port itself, whoever owns them. A more limited interpretation is that the Commissioners' authority is limited to lands actually used or potentially needed for port purposes.

It is indisputable that the port authority should have sufficient power to ensure that the port of Toronto can continue to operate efficiently, and to expand as necessary. But it is also necessary for local government in Metropolitan Toronto to have the widest possible land-use control to pursue its objectives for the future development of the lakeshore. These needs would be best met by a clearer and more limited definition of the land-use controls of the Toronto Harbour Commissioners. Lands owned by the Commissioners that are not now in port use and are unlikely to be needed for port facilities in the future should be subject to the same local controls as land owned by anyone else.

Recommendation 13.7: The land-use authority of the Toronto Harbour Commissioners be limited to lands actually or potentially needed for port purposes, regardless of their ownership.

Provincial Activities

The effective integration of provincial and municipal transportation planning responsibilities within Metropolitan Toronto should be enhanced by the changes in the planning process recommended in chapter 11 of this report. The coordination of transportation policies as they relate to overall planning for the Toronto region will be facilitated by the creation of the Toronto Region Coordinating Agency proposed in chapter 8. In addition to these measures, the Commission proposes some changes to the Toronto Area Transit Operating Authority.

The Authority was established by the provincial government in 1974 to be an interregional transit agency for the area covered by Metro and the regional municipalities of Peel and York.* Its objectives are to design, establish, and operate an interregional transit system, to coordinate transit systems, and to provide advice and assistance to such systems. The Authority is composed of a chairman appointed by the Lieutenant-Governor-in-Council, plus the chairmen of the three upper-tier municipalities in the area. In addition, the chairmen of the regional municipalities of Halton and Hamilton-Wentworth receive notice of Authority meetings and have the right to attend and participate in the discussion of matters affecting the transportation of passengers between their regions and the Authority's area.

The Toronto Area Transit Operating Authority now runs the GO commuter system, which has been expanded and improved. In addition, discussions are under way between the Authority and the Toronto Transit Commission with a view to achieving better coordination of their terminals, routes and fares.

The Commission has two concerns regarding the Authority: its composition, and the relationship between it and the planning process for the Toronto region.

At present The Toronto Area Transit Operating Authority Act designates the Metro and regional chairmen as its municipal members. This provision was probably useful at the outset to establish the Authority quickly and to ensure that it was linked clearly to the participating municipalities. There are, of course, limits on the extent to which the council chairmen can act as delegates of their municipalities when they are designated ex-officio by a provincial statute rather than appointed for the purpose by their councils. These limitations will become more important as the Authority turns its attention to the coordination of its services with those operated by the municipalities. Coordination within Metro's boundaries should be

* The Regional Municipality of Durham chose not to join.

simplified by the implementation of the Commission's recommendation that the Metropolitan Council (the body represented on the Authority) have full responsibility for the transit service within Metropolitan Toronto, along with authority to establish whatever operating arrangements it sees fit through its power of delegation.

In the light of changing circumstances and increased demands of their other responsibilities, it may well be that in the future the upper-tier chairmen or their councils will wish to have someone else represent the interests of their areas on the Toronto Area Transit Operating Authority. For these reasons, and as a matter of principle, the councils should be empowered to determine who their representative will be.

Recommendation 13.8: The municipal representatives on the Toronto Area Transit Operating Authority be chosen by their respective councils for a term coinciding with the term of office of the councils.

It is important that the regional transit activities of the Toronto Area Transit Operating Authority be compatible with the overall development strategy for the Toronto region that will be developed through the proposed Toronto Region Coordinating Agency. The relationship between these two bodies should be sufficiently close to ensure coordination, but not such that it will interfere with the efficient running of the Authority's trains and buses. The Coordinating Agency, having the broader responsibilities, should have an opportunity to assess the Operating Authority's plans before they are decided upon by the minister responsible.

Recommendation 13.9: The Toronto Region Coordinating Agency be responsible for reviewing and commenting on the budgets and plans of the Toronto Area Transit Operating Authority prior to their submission to the Minister of Transportation and Communications.

Note

1. Metropolitan Toronto Planning Department, *Review of Transit Financing* (Toronto, 1976), pp. 8-11.

Physical Services

This chapter deals with physical services provided by local government in Metropolitan Toronto. They include the waterworks and sewer systems, land drainage, garbage collection and disposal, and distribution of electrical energy.

One of the principal reasons for the establishment of the Metropolitan system of local government in 1954 was to facilitate the extension of basic physical services to the still largely rural outlying townships of Etobicoke, Scarborough, and North York. That year Metro also suffered a devastating hurricane, and public horror at the resulting loss of life and property provided the impetus for the subsequent creation of a regional conservation authority to carry out a large-scale stormwater drainage program and general watershed management.

It is a tribute to the Metro system of government that just two decades later, the residents of this Metropolitan community enjoy one of the best water supply systems in the world, a high standard of sewerage and sewage treatment, and vastly improved protection from flooding. In addition, levels of service in garbage handling are very high and the provision of reliable electrical service at cost is enjoyed by all Metro residents.

Water, Sewers, Drainage, and Garbage

Responsibility for water, sewers, drainage, and garbage is shared between Metro and the area municipalities.¹ In general, the Metropolitan Municipality acts as wholesaler, providing the major facilities, while the area municipalities do the retailing and provide the local connections.

Water

The division of responsibility for the water supply and treatment system creates a true wholesale/retail relationship. The Municipality of Metropolitan Toronto owns and operates all water treatment plants, pumping stations, reservoirs, and trunk mains within Metro. The area municipalities in turn purchase water from Metro and sell it to customers within their boundaries through their local distribution systems. Under The Municipality of Metropolitan Toronto Act, the Metro water rates must be set at a level that will make the waterworks system self-sustaining. Variations in local consumer rates from one area municipality to another reflect such factors as the age of the local waterworks system, debt retirement, the mix of industrial, commercial, and residential consumers, and the extent to which revenues generated from the water rates are used for purposes other than waterworks. The Metropolitan Municipality controls the overall standard of waterworks service and approves all extensions to the system.

Sewers

Metro is responsible for trunk collection sewers and all sewage treatment, while the area municipalities are responsible for local sewers and individual connections.



The costs of the sewerage system are largely financed from local general revenues, although sewage imposts are usually charged against new subdivisions and redevelopments. Some provincial subsidies are also available for capital works. The Metropolitan Municipality adds a surcharge to its water rates for water pollution measures. Among Metro's area municipalities only the City of Toronto applies a sewer service surcharge to its water bills in order to finance its sewerage system. The older area municipalities are each undergoing long-term programs of separating sanitary sewers from storm drainage sewers to achieve greater peak flow capacity and more efficient sewage and pollution treatment. As with waterworks, all proposed sewage works of the area municipalities are subject to approval by Metro.

Drainage

The Municipality of Metropolitan Toronto Act divides responsibility for land drainage between Metro and the area municipalities, but in practice it has been left largely to the area municipalities. Improvements to the major watercourses, such as channeling rivers, have been made by the Metropolitan Toronto and Region Conservation Authority, which acts on behalf of Metro in stormwater drainage matters and

general watershed management. The Conservation Authority charges Metro for the municipal share of the cost of these improvements.

Garbage

Shared responsibility is also a characteristic of solid waste management – the term used to encompass the collection, transport, treatment, recycling, disposition, and control of creation of garbage. When Metro was formed, garbage collection and disposal were entirely the responsibility of the area municipalities. Following a recommendation of the Goldenberg Commission, the Metro level was given responsibility for solid waste disposal in 1967, while collection responsibilities remained with the area municipalities. Costs for these services are met largely from municipal taxes. Local by-laws have disqualified certain commercial establishments and industrial operations from municipal garbage collection, and these businesses must arrange, and pay for, their own service.

Finance*

Expenditures for sanitation (which includes the sanitary sewerage system, stormwater drainage where the ordinary sewers also act as storm sewers, sewage treatment systems, and garbage collection, treatment, and disposal) declined slightly as a percentage of total local expenditures in Metro during the period 1968 to 1974. On a per household basis, expenditures in this category declined in the three outer area municipalities, but showed moderate increases in the older area municipalities. The Metro level's expenditures for sanitation increased by more than 50 per cent during the period.² In 1974 average per household expenditure in Metro for all sewers was 20 per cent less than in other regional municipalities, while per household expenditures for garbage collection and disposal in Metro were 30 per cent more.³

The Interregional Perspective

Urban development in the regions surrounding Metro has begun to place new demands on Metro's own physical services infrastructure. Much of the future pressure on Metro's physical services system will result from growth beyond Metro's boundaries. In some instances these new demands do not detract from the level of service enjoyed within Metro. For example, The Municipality of Metropolitan Toronto Act permits the Metropolitan Corporation to enter into contracts (which may

* Because expenditures for the physical services dealt with in this chapter are not consolidated under one category in municipal financial reports, nor can they be individually identified, it is not possible to provide an overview of the trends in physical services spending during the past decade. The items included in the sanitation category mentioned above have recently been combined with pollution control and waterworks under the heading "environmental services" in municipal financial reports.

be renewed) to supply water outside its boundaries for any period up to twenty years. Metro's trunk mains were extended into the towns of Markham and Vaughan in order to establish suitable locations for water storage facilities for the northerly service areas of Metro, making it feasible for Metro to supply water to parts of the regional municipalities of York and Durham. This is an interim arrangement intended to serve until the York-Durham Water and Sewage Service Systems are completed by the provincial Ministry of the Environment. These extra demands have not reduced the quality of service provided within Metro.

Urbanization in the upper portions of the watersheds running through Metropolitan Toronto has resulted in increased stormwater runoff, however, and thus in increased stream flows in Metro's rivers and creeks. This can lead to flooding, increased erosion, and damage to recreational areas along these watercourses. In addition, to the extent that sanitary sewers connected to the Metro system carry stormwater at times of high flows, increased stormwater runoff places more strain on Metro's sewerage and sewage treatment systems. Research conducted for the Commission suggested that, as a consequence, Metro may require better drainage, flood control, and erosion facilities to handle the increased flows on major Metro watercourses.

Possibly more familiar to Metro residents are the interregional problems associated with solid waste disposal. When the Metropolitan Municipality was given responsibility for solid waste disposal in 1967, it was also given authority to establish disposal facilities within the wider Metropolitan Toronto Planning Area. This authority was subject to the approval of the municipality in which the facility was to be located, or failing such approval, the approval of the Ontario Municipal Board. The reduction of the Metro Planning Area to conform to Metro's boundaries and the introduction of the provincial review requirements under The Environmental Assessment Act, combined with increased local opposition to landfill sites, have rendered the securing of disposal facilities, particularly outside of Metro's boundaries, much more difficult. No new sanitary landfill sites for Metro have been put into operation since 1968, and the establishment of transfer stations where trucks are loaded for longer hauls also has been frustrated. Regardless of serious efforts to reduce the volume of solid waste generated within Metro and despite various public programs and private initiatives to encourage recycling of waste, Metro will continue to need more places beyond its boundaries to dispose of solid waste.

As the Toronto region continues to urbanize, problems such as these will arise repeatedly, and perhaps increasingly. With the official plans of regional municipalities approaching completion, it may become easier to anticipate the implications of continuing urban growth on the physical services and to engage in longer-range planning for these facilities. While interregional liaison at the staff level has undoubtedly helped to resolve problems to date, some formalization of communications, tied closely to the interregional planning process, should prove

beneficial. The Toronto Region Coordinating Agency recommended in chapter 8 would be an appropriate forum to oversee this coordination.

Recommendation 14.1: The Municipality of Metropolitan Toronto, as a participant in the Toronto Region Coordinating Agency, seek to ensure that the growth strategies in the Toronto region are compatible with the capabilities of the physical services systems of Metropolitan Toronto.

The particular problems associated with solid waste management deserve special attention because they are quickly approaching crisis proportions. No more landfill sites are available within Metro, existing sites are nearly full, and delays and other difficulties are being experienced in securing new landfill and incinerator facilities. At the same time efforts to reduce the volume of waste and facilitate recycling are still in their infancy and cannot, at least as yet, be relied on to remove the problem.

The waste management difficulties being experienced by Metro are paralleled in other large Ontario municipalities. In response, the province has embarked on a comprehensive program to provide both short- and long-term solutions. In 1970, with the introduction of The Waste Management Act (now superseded by the more detailed Environmental Protection Act), the province assumed responsibility for developing waste management programs and waste disposal regulations. In addition, the Ministry of the Environment has initiated several programs and projects to reduce waste production, to encourage separation of waste, and to recycle waste for energy and fertilizer. It has also embarked on a long-term comprehensive resource recovery program, aimed at improving waste management systems, initiating long-haul transportation of wastes, and ultimately eliminating the need for landfill of municipal waste.

These initiatives are timely and of particular importance to the Toronto region, where the concentration of population and industry results in the generation of large amounts of solid wastes. In the judgment of the Commission it is logical to integrate these programs with the responsibility for actually securing disposal sites and facilities by transferring that responsibility to the province. This does not mean that municipal government in Metro can be absolved of its responsibilities for disposing of solid waste, for encouraging waste reduction, and for cooperating with recycling projects. But it is now clear that finding space for solid waste disposal in metropolitan regions is a serious problem well beyond the capabilities of any one municipality. The Toronto Region Coordinating Agency should be able to assist the province in carrying out this function.

Recommendation 14.2: The responsibility for securing sites for solid waste disposal be transferred from Metropolitan Toronto to the province.

Metropolitan Toronto and Region Conservation Authority

The Conservation Authorities Act in Ontario permits municipalities within a watershed to join together to form a conservation authority to provide flood control, to manage river flows, and to protect river valleys from erosion and unsuitable development. Although conservation authorities generally concentrate on flood and erosion control, flood plain acquisition, and the provision of open space, their ancillary activities include the conservation and management of soil, water, forests, and wildlife within the watershed, and conservation education.

The Metropolitan Toronto and Region Conservation Authority was created in 1957 as the result of the amalgamation of four previously operating conservation authorities in the former Metropolitan Toronto Planning Area. In 1970 the Authority's jurisdiction was extended south to the international boundary when it was named the implementing agency for the Metropolitan Toronto Waterfront Plan. It now has jurisdiction over an area of 1,339 square miles – 968 of land and 371 of water. A quarter of the land area lies within Metropolitan Toronto; it encompasses the watersheds of six river systems flowing through Metro to Lake Ontario (the Etobicoke, Mimico, Humber, Don, Highland and Rouge) and three systems (the Petticoat, Duffin, and Carruthers) which do not flow through Metro but lie to the east.

When the Metropolitan Toronto and Region Conservation Authority was established, the participating governments were the Municipality of Metropolitan Toronto and twenty-two other municipalities in the Metro watersheds. With the advent of regional government, The Conservation Authorities Act was amended to provide that regional municipalities be designated the participating governments in place of the local municipalities. Today the member municipalities are Metropolitan Toronto, the regional municipalities of Peel, York, and Durham, and the townships of Adjala and Mono. In 1975 the population of the area under the jurisdiction of the Conservation Authority was 2,418,000, of which 90 per cent resided within the boundaries of Metropolitan Toronto. Map 14.1 shows the Conservation Authority's area of jurisdiction and the boundaries of the member municipalities.

The Metro Toronto and Region Conservation Authority is administered by fifty-one persons: forty-eight representatives appointed by the councils of the member municipalities, and three (including the Authority's chairman) appointed by the province. By statute, the number of Metropolitan Toronto representatives must equal the total number of representatives from the five other participating municipalities. Some appointees of Metro are elected officials, others are private citizens.

The projects that comprise the program of the Authority may originate with the Authority itself, one of the participating municipalities, or the province. Once the Authority adopts a project, it seeks the approval of the member municipalities, the province, the Ministry of Natural Resources and, if multi-year financing is required, the Ontario Municipal Board.

Map 14.1: Area under the Jurisdiction of The Metropolitan Toronto and Region Conservation Authority



Flood control and water management combine to form the central responsibility of the Authority. Accordingly, the main functions are: making channel improvements to watercourses; building, operating, and maintaining dams and reservoirs; and the acquisition and regulation of flood plain and valley land.

Most of the other activities of the Authority are in some way related to, or result from, the flood control program. Involvement with recreational land is an excellent example. Flood plain land can safely and often very usefully be developed for a park. In some instances the resulting park would be too small, and the Authority will purchase adjacent lands to allow a more appropriate development. Conservation authorities have had legal authority to acquire land for recreation purposes since 1954. Within Metropolitan Toronto land so acquired by the Authority is turned over to Metro for parks and recreation development and operation. The Authority retains title to the lands and approves development plans for them. An exception to this arrangement is waterfront land with parks potential: by agreement, the Authority both acquires and develops such recreation areas before turning their management over to Metro. The Metropolitan Municipality may also enter into agreements with area municipalities, allowing them to use land owned by the Authority for neighbourhood parks.

Flood plain and other lands beyond Metro's boundaries have been acquired and developed by the Authority into conservation areas. These are large open-space sites developed for public recreational use, and provide the locale for the Authority's extensive outdoor and conservation education programs.

The Authority's historical sites acquisitions have resulted indirectly from land assembly. The principal activity has been the development and operation of Black Creek Pioneer Village.

Another major activity of the Authority is the improvement of about thirty miles of Lake Ontario waterfront. As the implementing agency for the Metropolitan Toronto Waterfront Plan, the Authority undertakes erosion control, landfill for parkland creation, and land acquisition for recreation.

The Authority's sources of funds are the member municipalities, the province, and the fees it charges.* Financing for most of the Authority's projects is shared equally between the member municipalities and the province, although some capital development programs are eligible for higher levels of provincial funding. In the past the federal government has reimbursed the province for half its contribution to the construction costs of major dams.

The municipal share of the Authority's expenditures is raised through a levy on its member municipalities. In the event of a dispute, a municipality may appeal its levy to the Ontario Municipal Board for determination, though Metro has never done so. The levy for the Authority's general program is apportioned on the basis of equalized assessment. Major capital costs are allocated either entirely to the benefiting municipalities or to all the member municipalities on the basis of equalized assessment. Under these arrangements the Municipality of Metropolitan Toronto has provided approximately 90 per cent of the total annual municipal levy of the Metropolitan Toronto and Region Conservation Authority. It provides 95 per cent of the local share of the waterfront program.

The average expenditure pattern of the Metropolitan Toronto and Region Conservation Authority during the last six years is shown in Figure 14.1. During this period water conservation and flood control have occupied a variable portion of the Authority's annual expenditures – from as high as 75 to as low as 9 per cent. The waterfront program consumes a significant proportion of the total budget. Tables 14.1 and 14.2 show the significance of Metro's financial contribution to the projects of the Conservation Authority on streams flowing both within and outside of Metro's boundaries.

Conservation and Local Decision-Making

The considerable achievements of the Metropolitan Toronto and Region Conservation Authority have largely been made possible by the revenue base in Metropolitan Toronto from which the municipal share of the Authority's activities are financed. As

* In 1976 fees collected from visitors to conservation areas, field centres, and historical sites constituted 19 per cent of the Authority's total revenues. Other minor sources of revenue are rents on Authority-owned properties, charges for services provided by the Authority, and donations received by the Metropolitan Toronto and Region Conservation Foundation.

**Figure 14.1: Metropolitan Toronto and Region Conservation Authority:
Average Allocation of Funds, 1971-76**



1971 marks the beginning of Waterfront Program expenditures
1976 data were based on budget estimates

Scarborough Bluffs, 1947 and 1973



Table 14.1: Conservation Authority Programs and Projects on Streams Flowing through Metropolitan Toronto, 1957-74

Program	Provincial share %	Municipal share %	Total cost \$	Cost to Metro \$	Metro's share of total %
Water control projects (Only Metro Toronto benefiting)	50	50	30,761,000	15,380,500	50
Large dams and reservoirs (All municipalities benefiting)	75	25	25,246,000	5,502,600	22
Black Creek Channel (Only Metro Toronto benefiting)	75	25	2,673,000	918,250	25
Small dams and reservoirs (All municipalities benefiting)	50	50	1,550,000	722,000	47
Flood plain lands (All municipalities benefiting)	50	50	15,186,000	6,681,000	44
Conservation areas (All municipalities benefiting)	50	50	10,012,000	4,405,000	44

SOURCE: The Metropolitan Toronto and Region Conservation Authority, *Brief to the Royal Commission on Metropolitan Toronto* (1975).

Table 14.2: Conservation Authority Programs and Projects on Streams Not Flowing through Metropolitan Toronto, 1957-74

Program	Provincial share %	Municipal share %	Total cost \$	Cost to Metro \$	Metro's share of total %
Small dams and reservoirs	50	50	245,000	107,000	44
Flood plain lands	50	50	1,018,000	473,000	47
Conservation areas	50	50	2,617,000	1,151,000	44

SOURCE: The Metropolitan Toronto and Region Conservation Authority, *Brief to the Royal Commission on Metropolitan Toronto* (1975).

the downstream municipality in six of the Authority's nine watersheds, Metro benefits substantially from the vastly improved flood protection and water management resulting from flood control measures upstream. Accordingly, Metro has been able to contribute generously to expenditures made well beyond its boundaries.

Metro's residents also enjoy an extensive Metro parks system, based on valley lands, most of which was acquired through the flood control and conservation program of the Metropolitan Toronto and Region Conservation Authority. The first ten years of the Authority's operation coincided with a period of rapid physical

growth in Metro, and it is likely that the protection of some of the ravines and valley lands would have been impossible had it not been for the regulatory influence of the Conservation Authority and the generous provincial financial support made available through it. Beyond Metro's boundaries, the acquisition of flood plain and other lands and their development into conservation areas have provided a good system of large open spaces for the residents of the Metro region. Thus, in the 1950s and 1960s the Conservation Authority performed the classic role of a special purpose body: it protected and insulated a function from the encroachment of other priorities, and nurtured its expansion at a time when it was crucial to do so.

Several important factors have changed since the Metro Toronto and Region Conservation Authority was created twenty years ago. There are now three regional governments in the area outside Metro rather than the twenty small participating municipalities, and the Metropolitan Toronto Planning Area has been reduced to conform with Metro's boundaries. Much of the flood control and water conservation program is now completed, and although the remainder of the program is proceeding, during the last several years the Authority has spent almost half its annual budget on conservation areas and waterfront development.

In the current economic climate, this growing importance of recreational expenditures is causing some concern at the provincial level, where the programs and projects of all conservation authorities are being subjected to more careful scrutiny and financial control. Five years ago funding for regional recreational development accounted for approximately 40 per cent of the province's budget for conservation authority grants, but it is now reduced to about 20 per cent. In times of restraint, the priority activity of conservation authorities from the provincial point of view is flood control and water management.

The recreation activities of the Conservation Authority complicate matters at the local government level as well. Parkland acquisitions and recreation area developments made by the Conservation Authority are still subsidized heavily by provincial grants. Similar expenditures made directly by a regional government are paid for fully from the local tax base. In other words, the "agency" and not the "function" is subsidized. This will have an influence on local decisions. Metro Council may have to decide if, for example, more should be spent on parks development within Metro, where half the existing parks network still remains to be developed for public use, or if that money should be allocated to waterfront acquisition and recreational developments through the Conservation Authority. The generous financial enrichment by the province for expenditures made through the Authority is almost certain to distort priorities.

Provincial financial support for parklands purchased directly by regional governments is limited and has never been used within Metro.* For the most part,

* The limitations of The Parks Assistance Act are described in chapter 20.

provincial financial support for regional parks is made available only through the conservation authorities. For such acquisitions in the immediately surrounding area Metro almost invariably pays more than 90 per cent of the municipal share. Acquiring regional recreational areas is undoubtedly worthy. But it is questionable whether the organizational and financial arrangements for such purchases are as clear, neutral, and straightforward as they should be if the best decisions are to be taken.

At present there is no clearly articulated open-space policy for the Toronto region that coordinates outdoor recreation plans and programs of the regional governments, the province, the conservation authorities, and the private sector. As a result, there is no overall plan or set of priorities against which individual proposals may be judged. Undoubtedly if such a policy were to be developed it could be of considerable assistance to all the affected municipalities, the province, and private operators.

For all these reasons, the Commission is convinced that certain changes should be made to the current role of the Conservation Authority. The objectives are to preserve the important role of the Conservation Authority in flood control and water conservation and to clarify the political choices to be made in the recreation field by strengthening local government.

The first step to be taken is to transfer responsibility for those activities that are related to recreation from the Conservation Authority to the regional and Metropolitan governments. Provincial financial support for recreation should continue, as it will for water management.

This modification confines the Metropolitan Toronto and Region Conservation Authority to flood control and water conservation. If this is accepted, Metro should no longer finance flood control measures and ancillary activities on the watersheds of the Petticoat, Duffin, and Carruthers Creeks, because these watercourses do not flow through Metro and hence present no flood hazards to its residents. The management of these river systems for flood control and water conservation purposes should be undertaken by the Central Lake Ontario Conservation Authority, whose area of jurisdiction lies east of Metropolitan Toronto. Flood control and water management on the streams and creeks flowing through Metropolitan Toronto will continue to be carried out by the Metropolitan Toronto and Region Conservation Authority in accordance with the current financial arrangements, under which Metro, with its strong financial base, pays for the bulk of the municipal share of the work on these watercourses.

The Commission proposes that responsibility for all lands with recreation potential that are acquired by the Authority for water management purposes (including waterfront lands) be transferred to the regional governments in which they are situated for development and management. This is the procedure now for lands acquired by the Authority within Metro except on the waterfront. Ownership could remain with the Authority or be transferred to the regional government, and provi-

sion could be made to insure that no future use would jeopardize water management requirements. With this change in responsibilities the management of existing conservation areas would be transferred to the regional governments in which they are situated. These operations would continue to be financed almost entirely from admission fees, as is now the case, and capital improvements should continue to be eligible for provincial financial subsidization. New land purchases for regional parks would be a responsibility of Metropolitan and regional governments, and provincial funding for acquisition and development, hitherto channelled through the Conservation Authority, would be redirected through these governments. The Toronto Region Coordinating Agency, recommended in chapter 8, could serve as the forum for assessing interregional open-space requirements and coordinating regional parks development in the Toronto region. The management of educational and historical sites now operated by the Conservation Authority would also become the responsibility of the regional or Metropolitan governments in which these facilities are located and continue to be subject to provincial-municipal cost-sharing arrangements. This proposal as it relates to recreation and cultural facilities is amplified in chapter 20.

The suggested approach confines the Conservation Authority to its primary task of flood control and water management which by its very nature will always be closely related to the acquisition of parkland. On the waterfront, for example, the two activities will probably continue in tandem. Nevertheless, disentangling responsibilities in this way will help to ensure that public expenditure decisions are made as objectively and clearly as possible.

Recommendation 14.3: The responsibilities of the Metropolitan Toronto and Region Conservation Authority be confined to flood control and water conservation; the development and management responsibility for lands with parks potential acquired by the Authority, including waterfront lands, be transferred to the regional and Metropolitan municipalities in which they are situated; and land acquisition, development and management for regional parks be carried out as proposed in Recommendation 20.2.

Recommendation 14.4: Subject to Recommendation 14.3, flood control and water conservation on the Petticoat, Duffin and Carruthers Creeks be undertaken by the Central Lake Ontario Conservation Authority.

Electrical Service

Unlike elsewhere in Canada where the retail marketing and local distribution of electricity usually is the responsibility of the authority that generates and transmits the power, electrical service in Ontario communities is supplied through municipal electric utilities. In Metropolitan Toronto there is such a utility in each of the six area municipalities.

Municipal electrical utilities in Ontario are rooted in the early days of the power industry of this province. At that time, small, privately or municipally owned electric companies generated, transmitted, and distributed electricity for street lighting, electric street railway systems, and small commercial and industrial users. Frequently the rates of the private companies were unacceptably above the costs of production and in many instances, exorbitant. In reaction, the municipalities themselves entered the electric power distribution business. The situation regarding power generation was not dissimilar, with many small, and a few large, privately owned producers in whom the public had little confidence. Under the political leadership of Adam Beck, representatives of Ontario's municipalities called upon the province to create a permanent provincial power commission. In 1906, the Hydro Electric Power Commission of Ontario, or Ontario Hydro, came into existence with Adam Beck as its first chairman.

Today the municipal electric utilities operate under the provisions of The Power Corporation Act, The Public Utilities Act, and The Municipal Act. The municipal electric utilities purchase power from Ontario Hydro and sell it to the customers within their boundaries on a non-profit basis with rates sufficient to pay for the power and to finance any expansion the system may need. The municipal council, Ontario Hydro, and finally the Ontario Municipal Board approve the capital expenditure plans of the electric utility, and the area municipality owns its assets. In Metro the Metropolitan Corporation issues debentures on behalf of the electric utilities, and bills them for the debt service costs.

Under The Public Utilities Act, cities and towns are required to establish a separate commission to operate an electric utility. Townships and villages have greater freedom, and may choose to retail electricity either directly or through a separate commission. The Act provides that where there is a commission it must be comprised of three or five members, one of whom is the mayor, with the others directly elected at large in the municipality. For cities having a population of 60,000 or more, The Power Corporation Act states that the electric commission may be composed of the mayor, an appointee of the city council and an appointee of Ontario Hydro.* The City of Toronto Act makes the composition of the Toronto Hydro-Electric Commission in this manner mandatory.

In Metro the boroughs are deemed to be townships and four of them have separate utility commissions: East York, Etobicoke, and North York each has a municipal electric commission, while Scarborough has a public utilities commission which provides both electricity and water, although the two functions are administered separately.† Each of these commissions is composed of the local

* Only three municipalities in Ontario – the cities of Toronto, Hamilton and Ottawa – have electric commissions appointed in this manner. When other municipalities in the province reached 60,000 population they retained elected hydro commissions.

† The Public Utilities Act permits certain municipal works such as water to be administered by a separate commission.



mayor and two directly elected commissioners. The Borough of York has chosen to operate its electric utility within the general municipal structure under the direction of a committee of council. The municipal treasurer acts as the treasurer of the electric utility and the borough's board of control exercises general financial control over its operations.

The hydro and public utility commissions exercise far less discretion today than in the past. This is particularly true in Metro, where the expansion of the physical system is coming to an end and the primary concerns are maintenance and energy conservation. Ontario Hydro establishes a uniform wholesale rate for the energy purchased as well as a charge for the costs of transmission, and it exercises extensive regulation over the operations of the municipal utilities. As a result, the work of the hydro-electric commissions is largely administrative. For these reasons, as well as to simplify the electoral system, the Commission recommends in chapter 5 that directly elected positions on hydro-electric commissions be eliminated.

In the Commission's view there is nothing intrinsic to electricity distribution that requires it to be done by a commission separate from the rest of the municipal structure. If the service is to continue to be provided by a public body at the area municipality level, then the municipal councils should be given responsibility for seeing that it is done; no municipality should be forced to establish a separate commission in order to operate an electric utility. Area municipalities that have separate commissions for their electric utilities may wish to continue them, but the specific composition of the bodies they create to administer this service should be theirs to decide.

It was suggested to the Commission that the six municipal electric utilities be amalgamated. Upon examination the proposal did not appear to provide any long-term economies or other marked advantages. At present there is a healthy spirit of competition among the utilities regarding rates and service, a positive advantage of the present system that the Commission would be loathe to see disappear.

Recommendation 14.5 The provision of electrical service remain an area municipal responsibility, and the councils be permitted to choose the structure through which such service will be provided.

Notes

1. For a comprehensive description of services discussed in this chapter, see James F. MacLaren Ltd., *Physical Services, Environmental Protection and Energy Supply in Metropolitan Toronto* (The Royal Commission on Metropolitan Toronto, 1975).
2. Harry Kitchen, *Public Finance in Metropolitan Toronto* (The Royal Commission on Metropolitan Toronto, 1977).
3. Ministry of Treasury, Economics and Intergovernmental Affairs, *Regional Government in Perspective: A Financial Review*, May 1976, p. 52.

Public Protection Services

Of supreme importance among the duties of government is the protection of its citizens. Municipal governments shoulder a goodly portion of this responsibility; in Metro, local government provides police, fire protection, and ambulance services to its residents. This chapter deals with these services as well as with the function of licensing which is closely allied with the protective services.

In Metro per household expenditures for public protection services* have been increasing sharply. Total per household expenditures on them rose by 74 per cent between 1968 and 1974, the period for which complete figures were available for analysis by the Commission. While inflation accounts for nearly half this increase, more than 40 per cent can be attributed to increases in levels of service. In 1974 expenditures on protection services accounted for 16 per cent of total local government expenditures in Metro and they are expected to constitute an increasing percentage in the future.

Not surprisingly, public protection costs are higher in Metropolitan Toronto than elsewhere in the province. In 1974 per household expenditures on policing were almost 50 per cent higher in Metro than in the other regional municipalities in Ontario. For fire protection they were 20 per cent higher.¹

Policing

The Metropolitan Toronto Police Force was created on 1 January 1957 when the police forces of the then thirteen area municipalities in Metro were unified. It is now the second-largest police force in Canada, comprising about five thousand uniformed officers and more than one thousand civilians. Though like any organization of that size it has its own share of difficulties, it is generally considered to be an excellent force and a credit to the municipality.

Several provincial statutes govern the manner in which the policing function is carried out. The Police Act gives cities and towns in Ontario responsibility for establishing a police force, and under The Municipality of Metropolitan Toronto Act, the Metropolitan Corporation is deemed to be a city for this purpose. The Police Act gives the responsibility for law enforcement to a board of commissioners of police and prescribes the membership of such boards. In Metro, the board is composed of five members: three are provincial appointees (a judge of the County Court, a Provincial Court judge, and one other person); the Metropolitan Chairman is a member ex-officio; and Metro Council appoints one of its members to the Board. Although elsewhere the chairman of a board of commissioners of police is usually chosen by the board from among its members, Metro's first police board chairman was designated by the province and remained so until his retirement in 1977.

* This category includes policing, ambulance services, fire protection services, protective inspections, street lighting, and the municipal conservation authority levy. See Harry Kitchen, *Public Finance in Metropolitan Toronto* (The Royal Commission on Metropolitan Toronto, 1977), for more detailed financial analysis.

The Metropolitan Board of Commissioners of Police, while defined as a local board in The Municipality of Metropolitan Toronto Act, is responsible for policy direction to the Ontario Police Commission, which supervises, advises, and inspects all municipal police forces in the province. The Police Act specifies that the members of the police force are appointed by the board of commissioners of police. The board may make regulations for the governing of the police force, and it is also assigned powers under The Municipal Act to pass by-laws regulating traffic and parades.

Police expenditures are financed primarily by the Metropolitan Corporation and constitute an increasing proportion of Metro's budget: in 1968 policing costs represented 22 per cent of Metro expenditures (excluding education) and in 1974, 26 per cent. Per household expenditures on policing doubled from \$63 to \$125 during that period. Although the Board of Commissioners of Police must submit its annual budget to the Metropolitan Council for approval, if there is a dispute it is the Ontario Police Commission, not Metro, that makes the final decision. The province provides a per capita grant to those municipalities that have their own police forces. Table 15.1 shows the costs of policing over the past six years and the extent of provincial financial support.

It is not the task of this Commission to evaluate the internal organization and operations of the Metropolitan Toronto Police Department. Two recent studies are pertinent in that connection. In February 1974 the Task Force on Policing in Ontario² submitted its report in which it provided a valuable assessment of the current policing function, suggested directions in which police forces should be moving to meet the challenges of the future, and set out proposals for improving police force management, recruitment, training, and financing. In June 1976 the Royal Commission into Metropolitan Toronto Police Practices,³ under the Hon. Mr. Justice

Table 15.1: Policing Expenditures in Metropolitan Toronto and the Provincial Police Grant

	Policing expenditures in Metro (\$000)	Provincial per capita grant (\$)	Total grant to Metro (\$000)	Police grant as % of policing expenditure (%)
1971*	58,129	1.50	2,800	5
1972	65,805	3.25	6,737	10
1973	76,060	5.00	10,365	14
1974	92,425	7.00	14,832	16
1975	117,620	12.00	25,489	22
1976	140,520	12.00	25,840	18

* In this year an explicit provincial grant for policing was initiated. In 1977 the grant will be raised to \$15 per capita.

Donald R. Morand, assessed the relationship of the police to the court system and the public, and reviewed the handling of citizens' complaints regarding police practices.

This Commission is concerned primarily with the place of the policing function in the Metropolitan system of local government. Many of the issues raised in the above reports, however, are germane to the Commission's review of policing in Metro. The Commission finds itself in agreement with the general philosophy of the police function expounded by both the inquiries mentioned above, a philosophy well described in the report of the Royal Commission into Metropolitan Toronto Police Practices:

Policing is too important to be left to the police, too important even to be left to the police schools. This does not mean it is not a special art and that it does not require special skills or that there is an unnecessary elitism involved in restricting the policing of the community to a qualified class. What it does mean is that all of us – police and non-police alike – have a continuing interest in the quality and effectiveness of our police system, particularly because our form of political organization, through which we give expression and force to our law, is based on public participation in political and social processes, on freedom to debate public issues, freedom to examine and evaluate public institutions, including the policing of the community.⁴

Policing and Other Local Responsibilities

During the Commission's public hearings the importance of the relationship between the police force and the community was mentioned frequently. It is well known that in addition to performing their traditional and primary roles as protectors of life and property and maintainers of law and order, the police are often called upon to be social workers, community workers, guidance counsellors, and first-aid attendants. Through the community relations and youth bureaus, the Metro police are involved directly with the schools and with many social service agencies. It could be truthfully said that a policeman's lot today is not a simple one. The police are an integral and important part of the whole local public service system. In many instances it is the police who are the first contact of people who require help or treatment from some other agency, and it has become a recognized and important part of the policing function to handle these referrals with dispatch and skill.

Despite the close functional relationship of the police to other local service agencies, there is a deliberate and substantial organizational separation. Indeed, because provincial legislation dictates the creation of a separate board of commissioners of police with a majority of its members provincially appointed, because there is an appeal to a provincial body if the municipal council objects to the police budget, and because provincial regulations in this field are so extensive, the police function might well be thought to be more closely allied with the provincial govern-



ment than the municipal. In any event, it is certainly true that decisions regarding policing are taken quite separately from the rest of the local decision-making process. Not only have local councils been prevented from influencing the course of police policy, but there has also been a general lack of information made public about such policy. Until recently the tradition of the Metro Board of Commissioners of Police has been to hold closed meetings even though The Police Act provides that such meetings shall be open to the public unless otherwise directed. These circumstances have made it virtually impossible for either the public or its local elected representatives to make an informed assessment of the policies of the police commission and to evaluate the management and operation of the police force.

In view of the importance of policing to the local community both as a service on its own and in its interrelationships with other local services, steps should be taken to increase the accountability and responsiveness of policing to local government.

The current organization of the police function is inconsistent with the principle of fiscal accountability, which holds that the spender of public funds should be responsible for raising them. More than 25 per cent of the Metro budget (excluding education) currently goes to policing, and of this more than 80 per cent is raised through the local property tax. In the Commission's view it is clearly inappropriate that so large a proportion of local expenditure should be devoted to a function supervised by an appointed board that need not subject its program priorities to the discipline of being weighed and ranked with the many other demands on the yield of local taxes. Since police costs are expected to increase faster than many other local service costs, this problem, if not corrected, will be exacerbated in the future.

If policing is properly a local responsibility – and in the Commission's judgment it is – then different organizational and financial arrangements are required for it in Metropolitan Toronto. The Commission is convinced that the Metro system of government is now sufficiently mature and competent to be assigned a more responsible role in this field.

The Metropolitan Council should be given those responsibilities now assigned to the Metropolitan Board of Commissioners of Police under The Police Act, The Municipal Act and The Municipality of Metropolitan Toronto Act. This responsibility would be exercised within the regulatory framework provided by provincial statutes and the Ontario Police Commission and by a directly elected Metropolitan Council with strengthened decision-making capabilities. With its general power of delegation, recommended in chapter 6, Metro Council will be able to assign this responsibility to a police commission if it sees fit, and to determine the membership of such a body. Membership could include, for example, Metropolitan and local councillors, and citizen representatives. The Metropolitan Council might also choose to continue the Ontario practice of appointing judges to its board of commissioners of police, although this tradition was questioned in both the Report of the Royal

Commission Inquiry into Civil Rights (the McRuer Report)⁵ and the Report on Administration of Ontario Courts of the Ontario Law Reform Commission.⁶

Recommendation 15.1: Subject to provincial standards and regulation, and accompanied by a general power to delegate, the Metropolitan Council be given the responsibility for policing in Metropolitan Toronto.

Policing Toronto's Waterfront

The present arrangements for policing Toronto's harbour and the part of the lake bordering Metro are not simple. Policing of Toronto's waterfront area is the responsibility of the Toronto Harbour Commissioners, which has two forces under its jurisdiction, the Toronto Harbour Police and the Toronto Port Police. The Toronto Port Police are land-based and responsible for security and crime prevention in the dock area itself. The Toronto Harbour Commissioners established this professional force in 1966 and it functions under the same chief as the Harbour Police. Though vested with all the usual powers, the Port Police have duties that resemble those of a private security corps more than a public police force.

The Toronto Harbour Police provide protective services mainly on the water: they enforce small craft regulations, conduct search and rescue operations, maintain patrols and tower watches, supervise lifeguards at municipal beaches and pools on the Toronto Islands and at other waterfront stations, supply ambulance services to the Toronto Islands, and provide other safety services. Their responsibilities extend from the shoreline to one and a half miles south of the Toronto Islands and from the eastern to the western boundaries of the City. Routine patrols and enforcement are not undertaken beyond these limits, although search and rescue missions are frequently conducted beyond them.* The Toronto Harbour Police are financed primarily by the City of Toronto, with some support from revenue derived from harbour operations.

The Metropolitan Toronto Police Force has two boats that patrol the Toronto Islands and Metro's larger rivers, and while its land-based enforcement responsibilities naturally are directed mainly outside the harbour area, it is sometimes called upon to assist within the harbour itself.

* An amendment to The Territorial Division Act in 1976 extended the southern boundary of the area municipalities fronting Lake Ontario to the international boundary, but the service area of the Toronto Harbour Police has not changed accordingly. Search and rescue operations are also provided by the Department of National Defence, through the Trenton air-sea rescue force, and by the Canadian Coast Guard. These forces have no law enforcement responsibilities. Law enforcement was provided by the Royal Canadian Mounted Police at one time, but a recommendation of the Ontario Task Force on Policing that this function be turned over to local police forces was accepted, and most of the larger boats of the RCMP have been withdrawn from Lake Ontario. Today the responsibility for policing Lake Ontario is shared among the regional municipal police forces, some local forces, the Ontario Provincial Police, and in Metro, the Toronto Harbour Police and the Metropolitan Police. This fragmentation seems less than satisfactory, but the resolution of it is beyond the terms of reference of this Commission.

The extension of boating and waterfront recreation beyond the bounds of the City into Scarborough and Etobicoke and the dramatic increase in these pastimes in general in the last few years have made the gaps in waterfront safety services in Metro both more obvious and more serious. In addition, the extension of Metro's southern boundary to the international border has reinforced the perception of a greater need for local government involvement in policing the waterfront. Short-term arrangements have been devised to extend the water patrol services of the Toronto Harbour Police to the entire Metropolitan Toronto waterfront area at the expense of Metro Council. But a long-term solution to both law enforcement and safety remains to be found.

The Metropolitan waterfront is a resource of the entire Metropolitan community, and changing patterns of use have resulted in higher public expectations for marine patrol and law enforcement. It is clearly inequitable for the taxpayers of the City of Toronto to continue paying for all waterborne services within its boundaries, and it is unacceptable that boating areas outside these boundaries remain less than adequately protected. Waterfront safety services should be a Metropolitan responsibility, financed from Metro-wide tax revenues. Although waterfront policing is a relatively specialized service, and the Toronto Harbour Police do an admirable job, it is inappropriate for a municipality of the stature of Metro to rely on a federal agency (funded mainly by only one of the constituent area municipalities) to provide this service. In the Commission's judgment it is inevitable that the Metropolitan Council, through the Metropolitan Police Department, will have to assume the responsibility for law enforcement and boating safety on Metro's waterfront. The Metro Police Department, with an established land-based support capability for marine policing and a centralized emergency communications network, should be able to assume marine responsibilities with few transitional problems.

Recommendation 15.2: The responsibility for law enforcement and policing on the part of Lake Ontario within Metro's boundaries be assigned to the Metropolitan Police Department.

Policing the port and port-related activities should remain the responsibility of the Toronto Harbour Commissioners. The Toronto port currently enjoys a fine reputation for a high level of port security and low crime and the continuation of this service under the jurisdiction of the Toronto Harbour Commissioners recognizes the federal responsibility for port security.

Recommendation 15.3: Policing the Port of Toronto and port-related activities remain a responsibility of the Toronto Harbour Commissioners.

Financing Policing Services

At present the provincial government contributes to the financing of police through the per capita grant mentioned earlier in this chapter. Currently Metropolitan

Toronto receives the same level of provincial grant support for police purposes as all other municipalities in Ontario that have regional police forces. It spends 50 per cent more per household on policing than other regional municipalities, and its level of service is demonstrably higher than in these regions.* These service levels and costs are undoubtedly a reflection of the particular needs of this large urban area. The Task Force on Policing recommended several courses of action to achieve greater productivity and economy in policing.⁷ These should be evaluated carefully. Nevertheless, the costs of policing this Metropolitan community are likely to continue to be onerous. In chapter 10 the Commission recommends the initiation of three-year cost-sharing agreements between the province and the Metro system of local government for the support of major services. During the discussions leading to such agreements the particular requirements for policing a metropolitan community and the responsibility of each level of government for financing this service should be resolved.

Recommendation 15.4: The provincial grant for policing in Metro be negotiated on a three-year basis, and reflect the requirements of policing major metropolitan areas.

Fire Protection

Fire protection is one of the few local services provided directly by municipal councils and not governed by compulsory provincial standards. Although The Fire Departments Act regulates the working conditions for firefighters, and The Fire Marshals Act provides for provincial investigative and inspection services and for general assistance to municipalities and their fire departments, the municipalities themselves are largely responsible for establishing fire protection standards and levels of firefighting services.

In Metropolitan Toronto fire protection is a responsibility of the area municipalities. Each fire department is established by by-law and reports to a committee of council. The primary fire protection function is firefighting, but fire departments also conduct fire prevention programs, assess building permit applications, and in conjunction with the buildings departments conduct inspections of residential, commercial, and industrial properties. The fire departments also assist the local works departments in planning access roads and the location of watermains and hydrants, and comment on development proposals from the fire protection point of view.

The issue of whether or not all local fire protection services should be amalgamated under the jurisdiction of the Metropolitan Council is one with strong proponents on either side.

* In 1975 Metro had 2.3 policemen per 1,000 population while the regional municipalities had 1.4 policemen per 1,000 population.



Supporters of amalgamation claim that there is a dangerous and intolerable disparity in the levels of service provided, and point to the considerable variation in the levels of expenditure, measured by different financial indices, as evidence.* Variations in expenditures are only one indicator of possible variations in level of service, however, and they must be considered in the context of many characteristics of the area municipalities in question. Population density, age of the building stock, proportion of daytime to fulltime occupied buildings that have to be protected, and so on, vary throughout Metro. Even when all such factors are taken into account, the inescapable conclusion is that variations in levels of service are considerable.†

Supporters of the status quo in the organization of fire services point out that variation in service levels is not necessarily in itself an unacceptable shortcoming. They also say that the operation of fire protection services at the area municipal level brings many benefits. It integrates within one level of government the responsibility for land-use planning, development control, zoning, building maintenance standards, and fire protection, and provides the organizational and financial incentives for these services to be mutually supportive. It is likely that each local fire department knows its community better than would an amalgamated department, and that this contributes to both short response times and effective pre-planning of responses. Fires, unlike criminals, can seldom dash across municipal boundaries so that fire departments do not need the same intermunicipal integration that led to the formation of the Metro Police Department. In addition, the benefits gained by the esprit de corps and healthy competition generated by the existence of six fire departments should not be underrated.

There are few economies of scale to be achieved by the amalgamation of fire protection services. More than 90 per cent of the expenditures of the fire departments are for salaries and employee benefits, and when the labour component of a service constitutes such a high proportion of costs, no significant savings can be anticipated from centralization.⁸ Furthermore, all area municipalities in Metro are financially able to provide a level of fire service that meets acceptable community standards. The undeniable variations in levels of service throughout Metro are the result of democratically determined community priorities. Finally, in the Commission's judgment, the increased costs involved in achieving uniform standards of service across Metro are likely to outweigh the benefits. For all these reasons, the Commission is persuaded that fire protection should remain a responsibility of the area municipalities.

Recommendation 15.5: Fire protection services remain a responsibility of the area municipalities in Metropolitan Toronto.

* For an illustration of this point, see P. S. Ross and Partners, *Public Safety Services in Metropolitan Toronto* (The Royal Commission of Metropolitan Toronto, April, 1975), pp. 39-43.

† For such an analysis, see Bureau of Municipal Research, "Fire Protection Services in Metro: Is Unification the Answer?," *Civic Affairs* (November 1975).

Intermunicipal Cooperation

While convinced of the validity of this conclusion in general terms, the Commission is sure that the arrangement as it now exists has allowed the perpetuation of several problems that render the fire protection system less than ideal. These problems are: handling of border calls and mutual aid operations; fire emergency communications; and utilization of firefighter training facilities.

The current practice among the six fire departments is to respond to fire calls near but not within their municipal boundaries if the alarm is received by the department directly; none charges for its services under these circumstances. Metro's six fire departments also have mutual aid arrangements whereby one department agrees to come to the aid of another department if called upon to do so, on the understanding that the assistance will be reciprocated if necessary. The borough fire departments currently do not charge for their services in these circumstances either, and are satisfied with quite informal agreements. The City of Toronto is the only area municipality that insists upon a formal agreement to provide aid under specified circumstances, and it charges for its services; requests for its assistance have been few in recent years. As yet there does not exist a formal mutual aid agreement among the six fire departments to cover the eventuality of a major fire disaster or a civil emergency requiring firefighting assistance.

The existence of six fire departments has also resulted in a different fire emergency telephone number for each as well as the central, multi-purpose emergency number (361-1111) maintained by the Metro Police. Fire calls received through the central emergency number are relayed to the fire department. Fire officials contend that this procedure results in the loss of precious time in dispatching assistance, and they encourage residents to use their own fire department's number. The fire departments have been moderately successful in educating the public in this regard: between 30 and 50 per cent of all fire calls are received directly by the departments concerned.

Another issue that has come to the attention of the Commission is the lack of uniformity in the training of Metro's firefighters. The fire departments in Metro are each responsible for training their recruits and for in-service training of firefighters and officers, and training procedures and programs vary widely from one municipality to another. Training facilities also vary from department to department. The most comprehensive in terms of equipment and program is the City of Toronto's Fire Academy, opened in 1970. None of the boroughs has matched that standard, and some fall far short.

If the Commission's recommendations for municipal boundary changes are accepted, a fairly extensive redistribution of firefighters, fire equipment and fire stations will be necessary among five of the six fire departments. The Commission is confident that the departments concerned, under the direction of their respective councils, will effect this transition smoothly and competently. At the same time, the

extensive changes that will be required in terms of transfers of firefighting resources from one department to another create an ideal opportunity to take a fresh look at long-standing intermunicipal problems.

For example, in most instances the area municipal boundaries proposed by the Commission improve the service areas for fire purposes, but a few fire stations may be unavoidably cut off from part of the service areas for which they were originally built. Therefore discussions concerning the reallocation of firefighting resources will necessarily have to be accompanied by an assessment of the new service areas of fire stations located near the boundaries. It may be that the most efficient arrangement for servicing some areas will be for one municipality to purchase firefighting services from another, if not on a long-term basis, at least in the short-term. It is certainly reasonable to expect that the fire station that can respond the fastest to an alarm should do so, regardless of which municipality the fire is in. Each department could then charge a realistic fee for the use of its firefighting resources for border calls and other instances of mutual aid. This will give local councils a sound basis on which to decide about upgrading services in those areas in frequent need of outside firefighting assistance.

The reorganization of Metro's six fire departments will also necessitate modifications in the fire emergency communications system as well as adjustments in firefighter training in view of the redistribution of personnel.

Because the implementation of the recommendations in this report will pose a considerable challenge to the organizational skills of the fire departments in Metro, intermunicipal cooperation is essential. The public's safety depends on it. In the Commission's view a formal process is required to ensure that the challenges of reorganization as well as the recurring issues of border calls, mutual aid, communications and training are resolved. A committee of fire chiefs should be established to provide a forum for such discussions.

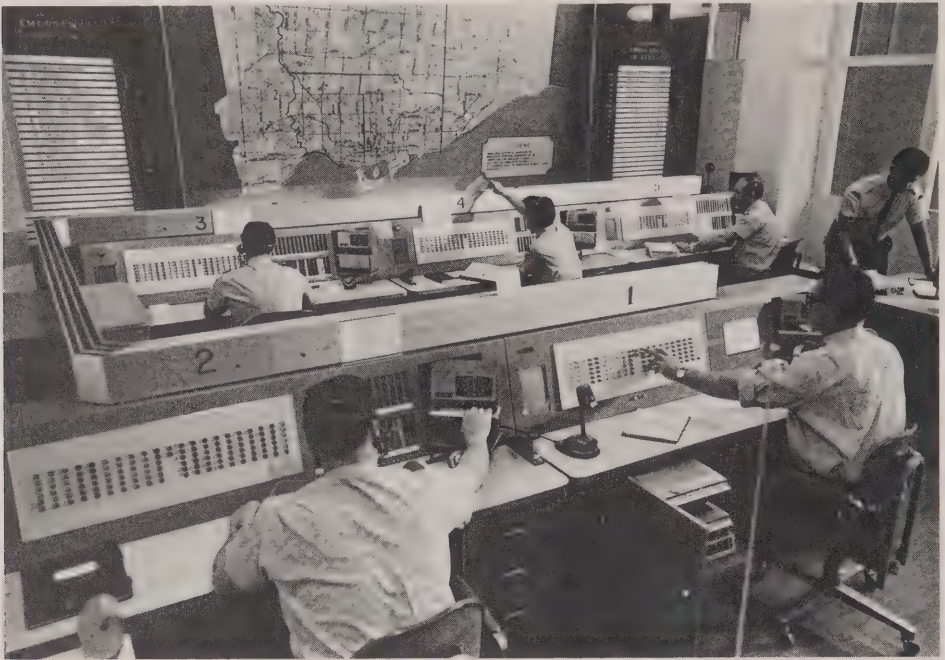
Recommendation 15.6: A committee of fire chiefs be established as the forum to develop solutions to intermunicipal fire protection problems for consideration by the area municipal councils.

If satisfactory intermunicipal cooperation is not achieved, the continuing existence of six separate fire departments will have to be re-examined.

Ambulance Services

In Ontario the Ministry of Health has primary responsibility for the provision and financing of ambulance services, but there is considerable variation in the organizational arrangements for ambulance services in different parts of the province. In many communities the Ministry of Health provides ambulance services directly. Elsewhere, ambulance services are provided by a local hospital, by private operators, or by volunteer groups – all subject to provincial standards, operational

Ambulance Control Centre



Roy Nicholls

control, and financing. Under The Ambulance Act a municipal council may acquire, maintain, and operate an ambulance service. The only large municipality that does this is the Municipality of Metropolitan Toronto,* and it is also the only municipality in Ontario that contributes in a substantial way to financing ambulance expenditures.

The organization of ambulance services in Metro has undergone considerable change recently. Prior to 1976 Metro's Department of Emergency Measures was responsible for dispatching all ambulances in the Metropolitan Toronto area. At that time the majority of the ambulances were owned either by Metro or the province, although there were a number of private ambulance operators who participated in the system. As a result of a decision of Metro Council in 1975 the Department of Ambulance Services was created on 1 January 1976, and the private, provincial, and Metro ambulances were brought under municipal ownership and central control with the agreement of the Ministry of Health. This has permitted a considerable upgrading of levels of service in Metro to meet new Metropolitan standards. As a result, expenditures for ambulance services have substantially increased.

Since 1968 the Ministry of Health has financed 100 per cent of the costs of ambulance services elsewhere in the province, the level of service financed being determined by the ministry itself. In Metro, however, provincial contributions have constituted a declining percentage of the total ambulance costs during the last few

* Ambulance services are also provided directly by the municipalities in a few smaller communities such as Lindsay, Haliburton, Sioux Narrows, Ignace, and Minden, but in these communities the ambulance service is often provided by the local fire department or by volunteers.

years. In 1969 ambulance services in Metro were funded almost entirely by the province; in 1976 the province paid 70 per cent of the ambulance budget,* and the Metropolitan Council made up the difference. Provincial support for ambulance services in Metro as a proportion of total costs will decline even further in 1977.

Ambulance services in Metro are an integral component of both the local system of public safety services and the Metropolitan health care system. It seems likely, therefore, that the public interest in Metro is served best by the current arrangement whereby operational control of ambulance services rests with the Metropolitan Council. If the Metropolitan Council becomes the district health council for this community, as recommended in chapter 18, it will be in an even better position to coordinate ambulance services with the rest of Metro's health care resources and facilities.

But as long as the provision of ambulance services in Metro is a responsibility shared by the province and Metro, the respective financial obligations of each level of government must be clearly understood and reasonably stable. Provincial expectations of levels of service and the factors used to determine provincial financial support should be negotiated at regular intervals. It is not this Commission's task to suggest a specific formula for cost-sharing of ambulance services. Although Metro should continue to contribute to the support of ambulance services since it has chosen a substantially higher level of service, Metropolitan taxpayers should not be inequitably burdened by an expense that is funded elsewhere entirely by the province.

Recommendation 15.7: As part of the general provincial-municipal cost-sharing discussions recommended in chapter 10, the Metropolitan Council and the Minister of Health negotiate three-year cost-sharing agreements for ambulance services in Metro which recognize the same degree of provincial responsibility for ambulance services in Metro as is established for other large urban areas of the province.

Licensing

The licensing of trades and other business activities and the enforcement of regulations and standards with respect to their operation is an important regulatory tool of local government. The Municipal Act currently provides that a municipality may license many different kinds of commercial activities, such as food shops and restaurants, barber shops, pet shops, shoe repair shops and tobacco shops, taxis, car washes, driving schools, and laundries. In all there are about sixty categories of trades and businesses which are specifically identified for municipal licensing by The Municipal Act and other provincial legislation.

* Including debt charges.

Under The Municipal Act, boards of commissioners of police are assigned the power to pass by-laws and establish regulations governing the licensing of businesses and trades. After the unification of Metro's police forces in 1957 the Metropolitan Licensing Commission was established to exercise the licensing power. The Municipality of Metropolitan Toronto Act provides that the Metropolitan Licensing Commission be composed of the Metropolitan Chairman or his delegate, and two appointees of the Metro Council who are not members of a municipal council.

Prior to 1967 the Metropolitan Licensing Commission performed both a legislative function and an adjudicative role: it had power to pass by-laws regulating businesses and trades and a right to summon and examine witnesses similar to that exercised by a civil court of law. In 1969 the Metropolitan Council took over the legislative function and the Metropolitan Licensing Commission became strictly a quasi-judicial body responsible for implementing policies established by the Metro Council.

Under The Municipal Act the municipality may require a fee for issuing a licence. Sometimes this fee is used as a device to obtain municipal revenue from those who pay neither property nor business taxes, such as transient traders. At other times, as with taxi licences, the fee may be set at a level high enough to recover some or all of the value the licence carries because it is one of a limited number issued. For the most part, however, the fee is related only to the cost of licensing and regulating. Recently, revenues from licences have constituted less than one half of 1 per cent of the Metro Corporation's revenues.

The power to regulate trades and businesses through licensing can be a useful tool for the community to protect itself from undesirable or injurious activities. Currently, however, the power to license is restricted to those trades and businesses expressly defined in legislation. Therefore, if an activity is not specifically subject to licensing by the legislation a council must seek a legislative amendment before attempting regulation.

Metro's difficulties in attempting to regulate body-rub parlours give a clear illustration of the problem. Because body-rub parlours were not specifically designated in legislation, Metro was forced to seek an amendment to The Municipal Act to permit it to license them. When legislative authority was granted, Metro passed a by-law on the subject. The wording of the by-law proved to contain too many loopholes, and the Metropolitan Council at time of writing was still wrestling with the problem.

In the Commission's view the effectiveness of local government would be enhanced significantly if the Metropolitan Council were given a general power to legislate in the area of licensing. The specific provisions in The Municipal Act would be replaced with one general provision authorizing the Metropolitan Council to pass by-laws for licensing any business or trade in the municipality for certain general purposes. The purposes might include such things as protection of public

health and safety, promotion of public convenience, and prevention of fraudulent business practices. Provision should be made to ensure that by-laws do not conflict with provincial legislation. Such an arrangement would enable Metro to confront new problems as they emerge without the delay involved in securing legislative change. This is a specific application of the principle embodied in Recommendation 6.1.

Recommendation 15.8: The Metropolitan Council be assigned a general power to license trades and businesses in the interests of the community.

As mentioned above, the Metropolitan Council exercises the legislative function with respect to licensing. It should no longer be obliged to have a licensing commission of prescribed composition to administer its by-laws and policies. It is likely that the Metropolitan Council will find it appropriate to separate the quasi-judicial aspects of licensing from the legislative and through its general power of delegation it will be able to do so. But the question of whether to have a licensing commission, its composition, and indeed its responsibilities should rest with the Metropolitan Council.

Recommendation 15.9: The mandatory provision for a Metropolitan Licensing Commission be removed from The Municipality of Metropolitan Toronto Act.

Notes

1. Ministry of Treasury Economics and Intergovernmental Affairs, *Regional Government in Perspective: A Financial Review* (Ontario, 1976), pp. 50-51.
2. *Report of the Task Force on Policing in Ontario* (Toronto: Queen's Printer, 1974).
3. *Report of The Royal Commission into Metropolitan Toronto Police Practices* (Toronto: Queen's Printer, 1976).
4. *Ibid.*, p. 161.
5. *Report of The Royal Commission into Civil Rights* (Toronto: Queen's Printer, 1968), Vol. 2, p. 712.
6. Ontario Law Reform Commission, *Report on the Administration of Ontario Courts* (Ontario, 1973), Part I, pp. 172-173.
7. *Task Force on Policing*, pp. 107-122.
8. The Commission's research report, *The Organization of Administrative Support Services in Metropolitan Toronto*, demonstrates this principle in areas other than firefighting.

The Human Services System

Though the title of this chapter cannot be held to be descriptive, it is hoped that it is at least prophetic. The human services – those that are designed to ensure a basic level of physical, personal, social, and economic well-being for all members of the community, and to promote the enrichment and development of the individual – are not tied together closely enough at the present time to permit calling them a system.

“Human services” is a term that has come to describe the health, education, social, recreation, cultural, and library services provided by governments and a variety of private and independent organizations. It is only relatively recently that governments have come to recognize that actions taken (or not taken) in one of the human services fields can have a significant influence on what is required and what is done in another. Hence there has been a conscious striving to consider these services as an interrelated system, even though there are not as yet any strong organizational links among many of the services themselves. This chapter is concerned with the human services as a system, how their overall organization affects both their quality and cost, and the role local government can perform in their provision. A more detailed analysis of specific services can be found in chapters 17 through 20.

Prior to the Second World War, most of the needs toward which these services are directed were met (if they were met at all) by the family, by volunteers in the community, or by the private sector. But new family patterns, the changing role of women, growing urbanization, a longer lifespan, an aging population, and relative prosperity have given rise to both the need and the demand for more services to be provided by government.

Local Government and Human Services

The increased importance of local government responsibilities in the human services field has by no means gone unchallenged; it is often suggested that municipalities should get out of this area entirely. Large and rising costs, the complexity of the interrelationships, and the professional specialization of practitioners, all combine to suggest to some that it would be best if services of this nature were looked after by the senior levels of government. Several forceful arguments have been put forward in support of that position, so it is by no means academic to review here the issue of what is the most appropriate role of local government in the delivery of human services.

At the outset, it is worth emphasizing that as a general rule the distinctions in jurisdiction between the levels of government now operating in Metropolitan Toronto are not nearly so clearly perceived by the general public as they are by the politicians and civil servants whose function it is to make the system work. Politicians elected at all levels of government are under constant pressure to solve problems and take action on a wide range of matters regardless of who is legally responsible.

Because municipal politicians live and work in the community they serve and are elected from smaller electoral districts than their federal or provincial counterparts, they are more readily accessible to their electors. As a result, they are probably much more frequently approached for help and hence are usually more knowledgeable about their electors' day-to-day concerns and expectations than are politicians representing larger constituencies. It is likely, therefore, that services provided by municipal governments reflect – and, if adequately organized and financed, will fulfil – the wants and expectations of local citizens more accurately than do those provided by other levels of government. In the Commission's view, it is at the local level that the exercise of discretion is most likely to result in public well-being. There is, then a *prima facie* case for giving local government a responsibility in the human services field: the services will be better suited to the communities in which they are provided. If services are not to be provided locally, it must be for good and substantial reason.

The two most frequently used arguments for divesting local government of human services responsibilities are quite straightforward. One is that the property tax should finance services to property and not services to people. The second is that the human services now are so heavily regulated by the provincial government that there is little point in involving the local level in their delivery.

The services-to-people services-to-property argument is weak because of the difficulty of identifying a service that benefits property to the exclusion of people, and vice versa. For example, good schools in a neighbourhood – clearly a “people” service – are generally conceded to enhance house values; witness their frequent mention in real estate advertisements. Conversely, the “hard” or “property” services of water and sewers add to the health and convenience of residents just as surely as to property values. In the end, of course, all benefits are to people, since a service to property is really a service to the owners, occupants or users of property.

The argument that the provincial interest in assuring uniformity of standards is so great that regulations have all but removed local discretion has somewhat more substance. In certain aspects of welfare administration and education, for example, provincial regulations are so detailed that local administrations can be forgiven if they occasionally verge on the feeling that “whatever is not compulsory is forbidden.” There are, however, two important points to be considered in this connection.

First, in many instances the detailed regulation by the province is a legacy of an era when the average level of local political and administrative competence was much lower than it is today. The conditions that must be met in order to qualify for grants were not designed with the present-day realities and capabilities of Metropolitan Toronto and its government in mind. In fact, the detailed regulations that may be deemed necessary as a condition of funding to ensure adequacy of service in outlying parts of the province may actually diminish service effectiveness in



Metropolitan Toronto by preventing flexibility and innovation. It must also be recognized that in certain areas, such as education, there has been a considerable easing of provincial regulation and withdrawal from detailed control.

One of the tenets of this report is that Metropolitan Toronto has reached political and administrative maturity and can and should exercise more control over the services it is called upon to deliver. With only a few exceptions, provincial regulations concerning mode of administration should be less prescriptive, and there should be greater generality of purposes for which provincial grants can be used. Where the provincial interest in a service is clear, it should be met by the setting of standards – by prescribing results, not means. If this cannot safely be done for the whole province (and on that the Commission cannot comment), it should be done for Metro alone.

Second, even with the present system of detailed provincial regulation, there is still both a need to adapt programs to local circumstances and considerable scope for local initiative. Local responsibility for a service permits not only those enrichments that an individual community thinks important, but also an administration that can deliver the service in the manner most appropriate for that community. There is no clear or finite line between policy and administration, and local delivery can ensure a more sensitive service.

A final argument used by those wanting to rid local government of responsibility for these services is that the trend elsewhere is for provinces to take them over. New Brunswick is sometimes used as an example of a jurisdiction that relieved its municipalities of a very wide range of these services and now provides them through provincial administration. One difficulty with this argument is the simple matter of scale. Comparisons between Ontario and provinces of much smaller population are of limited value. The entire population of New Brunswick, for example, is less than that of the City of Toronto. The history, size, and complexity of Metropolitan Toronto and the competence of its civic administration combine to make it unique, or at least sufficiently different to warrant quite separate analysis.

It is the Commission's conclusion that there is an important and legitimate role for local delivery of human services in Metropolitan Toronto. As governments, municipalities must have the authority to promote the well-being of their citizens, an assertion that implies a responsibility in the human services.

In the Commission's view, a responsibility for delivering a service must be accompanied by a responsibility for planning and for at least some of the financing. Unless the elected representatives of the government responsible for delivery play a part in determining policy on what will be provided, and how much, and for whom, and how, they will in fact not be responsible at all and accountability will be removed from the system. Similarly, if the financial consequences of their decisions are not obvious to taxpayers, there is no financial accountability. Therefore, the responsibility for planning at least those human services delivered locally should

rest at the municipal level, as should responsibility for paying at least a portion of their cost.

If municipalities are to have a major responsibility for planning and delivering human services in Metro, the questions of how and by whom that responsibility is to be exercised remain. At present, the majority of public sector human services are delivered at the area municipality level, the one notable exception being social services. In general, the Commission finds this appropriate. Most of the arguments mentioned above supporting local involvement in human services apply just as well in deciding between Metro and the area municipalities. For most services the latter are quite large, strong, and sophisticated enough to be able to provide an acceptable standard of service. Only when there are compelling reasons should the Metro tier be assigned direct operating responsibilities in this field.

The Commission recommends a small number of changes in jurisdiction for the delivery of human services. These are dealt with in the chapter specifically devoted to each service.

The Existing System

For the most part, there appears to be general satisfaction with the quality and level of human services now provided in Metropolitan Toronto. In fact, it has been suggested that the calibre of Metro's public services – and especially its human services – has contributed in a major way to the maintenance of a high quality of life in the face of rapid physical and population growth. Nothing is perfect, however, and several problems that require careful attention are beginning to emerge. Approximately one-third of the briefs submitted to the Commission dealt with the organization of some aspect of the human services system in Metro, and a majority of these expressed concern about the ability of the existing human services system to serve the Metropolitan community adequately in the future. The major problems facing the system are outlined below.

Coordination

The history of the human services explains why they have never been organized in a systematic way. Most programs were introduced in response to a particular need or even a crisis, and government involvement usually followed a private initiative. Because individual services were developed at different times and by different people, the need for linkages between them frequently went unrecognized. As a result, a number of broad sectors such as health, social welfare, education, and recreation have emerged, each with its own organization, policies, programs, administration and specialized personnel. Even within sectors there are typically a

number of different agencies whose plans and activities are not coordinated. There are really two levels of difficulty in coordination: there are problems both within the individual service areas (such as health, social services, recreation, and the like) and between them.

Because of the diffusion of responsibility for individual services, there is no overall human services policy framework for Metropolitan Toronto, nor is there a mechanism through which operations can be coordinated. Metro is far from unique in this respect: a parallel situation exists in other municipalities and at other levels of government.

It is inescapable that without a locus of responsibility for the human services in Metro or a set of overall priorities, some portion of the extensive resources now spent in this field will not be used as effectively as it might be. At present, even if individual agencies are aware of existing or emerging needs in the community, there is no common forum where such needs can be discussed and a comprehensive approach developed to address them. If they are ignored altogether by local agencies, on the assumption that the responsibility for them lies elsewhere, serious community problems may develop which otherwise might have been avoided. Alternatively, if a number of different agencies identify a need and each tries to address it, resources will be used inefficiently and the overall effectiveness of the services provided will suffer.

There is growing evidence that the lack of coordination now adds significantly to human services costs. For example, a recent report entitled *Priorities*¹ prepared by Central Toronto Youth Services suggests that troubled adolescents are often placed in costly residential care facilities because of the lack of resources available to assist them in other settings, even though such assistance could be provided at considerably less cost and in some instances could be equally, or more, effective. This unnecessary expenditure could be avoided if the services were effectively coordinated. In a similar vein, representatives of the voluntary sector told the Commission they have had to discontinue some of their most successful fee-paying recreation programs because identical free programs have been introduced by government. Examples of duplication of effort and gaps in services abound in the human services field.

Different service standards, funding requirements, and personnel policies are all barriers to coordination and even on occasion to cooperative effort in the human services field. The difficulties created are legion. For example, there are eleven different means tests to determine eligibility for a variety of social assistance programs in Metro. Most of these tests are carried out to meet either the requirements of provincial legislation in the social welfare field or the administrative requirements of the agency funding a particular program. Even if several agencies have their offices in the same building, people with a number of interrelated problems must go through all the procedures required by each program to get the

assistance they need. This is both an inefficient use of professional personnel and a humiliating waste of time for anyone seeking help.

Similarly, the fact that many human services programs must be delivered by a particular agent to qualify for a certain level of financial assistance inhibits the flexibility of the system and often results in inefficiency. For example, if a public health program is offered by a board of education, it is considered an educational program and receives a different level of financial assistance from the province than the same program would attract if offered by a board of health.

Distribution of Services

Some of the human services can be provided with little or no equipment at all; others require substantial facilities and real estate. When a service that needs a building is not a welcome addition to a neighbourhood it is possible for the local council effectively to stop the service from being provided by using its zoning power. For example, certain boroughs have refused to provide zoning permission for some types of group homes. There are more residential care facilities for adolescents in the City of Toronto than in Metro's five boroughs combined, despite the fact that many of the adolescents placed in these homes come from families living outside the City's boundaries. Similarly, assisted family housing is not evenly distributed throughout Metro. Again, some Metro residents have ready access to a variety of publicly supported recreation facilities; others do not. While diversity is an important feature of any effective human services system, it should not result in inequity. Diversity guarantees choice. Equity ensures that the range of choice is reasonable and that all communities bear a fair portion of the burden of the services which their residents need.

Costs

Services to people are characteristically labour-intensive. Because they rely increasingly on paid professional staff rather than volunteers, they are becoming more and more costly. Human services are the most rapidly growing element of expenditure of all levels of government combined. In part, these increases result from the impact of inflation on labour and other costs, but there has also been substantial growth in both the volume and levels of service. The combined annual expenditures of all levels of government and of the voluntary sector on human services in Metropolitan Toronto are now estimated to exceed two billion dollars.

Unfortunately, programs such as subsidized housing, income maintenance, assistance to immigrants, and unemployment insurance are often blamed for high levels of taxation because the costs of providing them are more apparent to the average citizen than are other government costs. It is frequently overlooked, for example, that the total public subsidy to an individual whose education extends to



the doctoral level may be far greater than that to a whole family who from time to time requires assistance in the form of general welfare or unemployment insurance. In fact, higher expectations about both the range and level of public services on the part of all income groups have been the ultimate cause of the increase in human services costs.

Whatever the underlying factors may have been, it is obvious – particularly in view of public concern about the present levels of government spending and taxation – that the recent rate of increase in human services costs cannot be sustained in the years ahead.

Overall Priorities

Despite a high level of expenditures on human services, the demand for more new and existing services continues, and perhaps may never be satisfied. Thus, if the available resources are to be directed to the areas of greatest need, some method of establishing overall priorities must be found. Because it is impossible to deny the value of a service that improves the quality of life of a number of people, it is relatively easy to marshal arguments in support of almost any proposed human service. But with a finite number of dollars, the decision to provide a service should always be seen as a choice to be made deliberately after a consideration of the possible alternative uses of the money.

Coordinating the Human Services

While it would not be accurate to say that there is now a crisis in human services, there are important questions of cost and effectiveness to be faced. If Metropolitan Toronto is to continue to enjoy a high quality of life, the task of rationalizing its human services must be begun soon. There seems to be a general consensus that the key to this lies in finding means of coordination that can be brought to bear on the system as a whole and within the individual service areas.

In general, the Commission is convinced that the top priority is to bring cohesiveness to each of the individual service areas. Only when that is done will it be possible to create what could literally be called a human services system. The issues involved with the individual service areas are discussed in the following chapters. What follows here is a suggested first step in beginning to draw the entire human services network together in the Metropolitan Toronto area.

A Coordinating Mechanism

There is at present no body at the municipal level in a position to draw together all the elements of the human services system, or even all the elements that are delivered by local government per se. Nor can any such body be created, given the existing legislation; the responsibility for most of the services is dispersed by provincial statute among a large number of bodies who do not have the authority to delegate any of their powers to anyone else. To create an effective coordinating agency at the municipal level, a substantial number of legislative changes are needed, particularly to those provincial statutes assigning specific powers to various special purpose authorities. Detailed proposals for such changes are to be found in other chapters of this report. If these changes are made, it will become possible to focus responsibility for services on locally elected councils. This would give an opportunity for some useful overall planning and priority-setting to be done within the context of the entire program of public services and the budgets to be provided for them.

Elsewhere in this report it is recommended that the statutory powers of boards of health and library boards be abolished. Implementation of those recommendations will automatically give a substantially increased responsibility to area municipal councils in planning and budgeting for services, whether or not they continue to use separate boards to administer the programs. Thus, City and borough councils will have the tools to affect much of the coordination that is needed at the local level.

In addition to what area municipalities will be able to accomplish, however, there is a need for some authoritative, accountable body to start trying to bring cohesion to the whole human services system within Metro. Since so many of the issues with which the services must deal are region-wide it is unrealistic to expect solutions at the local level. The elected Metro Council, which is already responsible

for local social services, is the logical body to undertake this difficult and important task.

There are several aspects to the role the Commission foresees for Metro Council in the human services: establishing some long-term social goals for Metropolitan Toronto; forecasting future service needs and the funds required to meet them; establishing overall human services priorities for the Metropolitan community; and suggesting minimum standards and guidelines for human services delivery. In order that it have some authority to implement its plans, Metro should be able to deploy some of the system's resources to areas of highest priority and greatest need. And Metro Council should have the job of ensuring that each of the area municipalities accommodates its fair share of the services needed by its residents. In short, it should develop a human services policy for Metropolitan Toronto.

Recommendation 16.1: Metropolitan Council be given the responsibility for developing a human services policy for Metropolitan Toronto, and a mandate to encourage the coordination and rationalization of these services.

This recommended policy and coordinating role does not involve an expansion of the powers of the Metropolitan Council in the delivery of human services at the expense of the area municipalities or of the voluntary sector. Nor should it be construed to relieve those bodies of a responsibility to contribute to the planning and overall coordination of the entire array of services.

Because the area municipalities, the boards of education, and the voluntary agencies have such substantial responsibilities in the delivery of services in Metro, it is essential that they be given a direct voice in overall human services planning and policy development. The people delivering services on a day-to-day basis are best qualified to identify existing or emerging needs in the community. They have the first-hand knowledge with which to assess the effects of different organizational and financial arrangements on the quality of the services they deliver. No overall policies or priorities should be established without the benefit of this expertise. The involvement of the delivery agencies is needed to ensure realism in planning, and their commitment to its results is necessary for implementation. Finally, if overall planning and policy development are not directly tied to the delivery system, there is a severe risk that the role the Commission has proposed for Metro would soon result in a powerful, insular bureaucracy at the Metro level. Such an eventuality would worsen rather than resolve the problems related to both costs and effectiveness which the Commission has attempted to address.

For all of these reasons, and to ensure that both Metropolitan and local interests are served by the human services system, a formal link should be created between Metro Council and those agencies involved in the delivery system. A system should be devised to ensure the contribution of all relevant service providers to the planning and coordinating process. This system should have as its central compo-

nent a formally recognized committee advising Metro Council with respect to its responsibilities in this field.

Recommendation 16.2: A joint human services policy advisory committee be established in Metropolitan Toronto comprised of representatives of the various major elements of the delivery system including the boards of education, the voluntary sector and the area municipalities, and this committee be responsible for making human services policy recommendations to Metro Council.

Implementing Human Services Policies

Finance

One of the most effective and indeed necessary tools in implementing any policy is money. To encourage the implementation of its own human services policies, Metro Council will require more influence than it now has over the allocation of resources to human services programs within its boundaries. The myriad conditional grants from the senior levels of government to municipalities, special purpose authorities, and voluntary agencies in Metro inhibit the coordination and integration that is now essential. Indeed, they virtually preclude the implementation of effective policies that might be devised by Metro to reflect area-wide human services priorities. In chapter 10 the Commission recommends the replacement of the major conditional grant programs with three-year cost-sharing agreements. While this arrangement will go far towards the rationalization of support to the human services that are the direct responsibility of local government, further changes are needed in the way non-governmental services are supported.

To ensure that maximum benefit is obtained from the funds allocated to these services, Metro Council should have a major role in their allocation. Only then will provincial funds be allocated in accordance with area-wide human services priorities rather than those of an individual agency. Such an arrangement would enable Metro to coordinate the efforts of many different agencies and groups providing similar services in the community and to deploy resources to areas of greatest need.

It must be recognized that not all provincial grants to local agencies and groups distort, undermine, or even affect overall local human services priorities. Those that do not should continue to be made to the agency delivering the service. The funds that it is most important to channel through Metro are those intended for short-term funding of neighbourhood services, for seed money to establish new services, and for programs that are generally considered to be a local government responsibility. Such funds should be allocated by municipal councils— in this case, by Metro.

In addition to helping rationalize human services expenditures in Metro, the suggested arrangement would reduce the number of sources from which voluntary



agencies would have to seek funding, without affecting the total amount of funding available. This in turn should reduce the amount of time these agencies now have to devote to seeking government grants.

Recommendation 16.3: The Metropolitan Council be given the primary responsibility for allocating provincial funds to human services agencies in Metro other than the area municipalities.

As indicated earlier in this report, the Commission recommends the continuation of a separate political structure for education. Accordingly, provincial education grants should continue to go directly to the education system. The inclusion of representatives of boards of education on the human services advisory body, however, would encourage cooperation and coordination between the systems.

Relationship to Land-Use Planning

The Ontario Planning Act assigns the responsibility for investigating and surveying social conditions that may in some way affect the development of a local planning area to the relevant planning board or planning department, which is to take such conditions into account in drafting the municipality's official plan. In keeping with

this provision, Metro is already attempting to define a human services plan for the Metropolitan area for inclusion in the emerging Metropolitan plan.

In the Commission's view, the official plan is an appropriate vehicle for the formal expression of Metro's broad human services objectives. The dangers of inflexibility that have traditionally accompanied the entrenchment of policies in an official plan should be removed if the recommendations regarding the planning approval and amendment process are accepted. Simultaneously, other recommendations, if accepted, will give Metro Council the authority to assure the implementation of some of its human services policies. It must be recognized, however, that many elements of planning regarding the human services are insufficiently sophisticated or generally accepted to permit inclusion of many detailed objectives in the official plan.

Where the human services have a physical dimension – such as buildings or open space – objectives and standards for these should be included in the plan. For example, many human services require physical facilities which must be approved through the local zoning process. Should local zoning powers be exercised to discourage the location of an equitable share of such services in any Metro municipality, Metro Council could launch an objection to be heard by the Ontario Municipal Board on the grounds that refusal to provide the zoning contravened a stated policy in the Metropolitan plan. This arrangement should go far to solving the problem of distributing more equitably throughout the Metropolitan area such needed facilities as day care, assisted family housing, and group homes.

Research

At present, no one has overall responsibility for social research in Metropolitan Toronto. Individual agencies and the different levels of government conduct their own policy research. Many community groups and agencies are involved in research for their own purposes, and the academic community does extensive work in many related fields. With no one to bring these different groups together, unnecessary duplication of effort is inevitable. The Commission does not wish to suggest that the responsibility for social research can or should be centralized, but it believes there are potential savings of both effort and dollars to be made by giving one body the responsibility for monitoring social research in Metro and for developing an overall social research strategy for the Metropolitan area. In view of the role Metro now plays in planning and the role the Commission has recommended it play in human services, Metro Council would appear to be the most appropriate body to be responsible for this research function.

Recommendation 16.4: The Municipality of Metropolitan Toronto monitor social research in Metropolitan Toronto and develop a social research strategy for the Metropolitan area.

The Commission does not foresee the need for a major Metropolitan social research body. First, Metro's planning department already has some capacity in this area, which could be expanded slightly, if necessary. Second, with a general power of delegation and an expanded role in the allocation of public funds to human services agencies in Metro, Metro Council could deploy resources in the delivery system to conduct needed research or purchase the services of individuals or agencies specializing in the social research field. As a further example, if there seems to be merit in having a central clearing house where the results of social research are stored and catalogued, the proposed system would allow Metro Council to allocate resources to an existing body – such as a major library – to perform this function.

Neighbourhood Services

A number of submissions to the Commission favoured the decentralization of responsibility for service delivery to the neighbourhood level. (For some analysts, a neighbourhood is a small definable area of perhaps 20,000 people, but for others it may include as many as 200,000.) Essentially, the case put forward by supporters of this view is that the neighbourhood is the most appropriate unit for administering a great many human services, such as playgrounds, recreation centres, social welfare services, and elementary schools.

There are forceful arguments supporting the neighbourhood services idea. First, the concept generally connotes a direct involvement of local residents in planning and operating programs designed to fill their own needs. This involvement implies an acceptance on the part of citizens of some collective responsibility for resolving social problems and meeting the social needs of those around them. This is an important advantage in the light of the perception of a number of analysts that the breakdown of many large cities has occurred in part because their neighbourhoods lost this sense of shared responsibility for their own well-being.

Another argument is that if responsibility for many services is transferred to the neighbourhood level the result will be more sensitive and less formalized services, which better accommodate the real needs of people. Neighbourhood services delivery is thus said to result in a greater emphasis on the types of services once provided by the extended family and neighbours – services such as household and personal assistance to the infirm and elderly, child care in time of emergency or family stress, and other support services for families undergoing crises. To the extent that such help is available, there should be a reduction in the need for more costly specialized or institutional services.

It is further suggested that if administration is done at the neighbourhood level it should be possible to establish local centres which, if not “mini city halls,” would at least house a variety of services which people use. Such centres can become focal



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points of the community as well as convenient “one-stop shopping” places for people who have something to do with several programs. Another suggested advantage of such centres is that they may make possible an integration of the actual delivery of programs, thus reducing the problems arising from the variety of separate programs and the number of different workers all dealing with different aspects of the same situation.

If all the above advantages claimed for a neighbourhood services delivery approach were realizable they would indeed be worth pursuing. And in the Commission's view it is quite possible that many of them could accrue if service decentralization of the order suggested could be achieved. But before such decentralization can be successfully attempted, there must first be a rationalization of several of the service areas themselves. The present situation is so fragmented that any attempt to decentralize from it would produce little benefit. The responsibility for human services must first be focused, the programs within each sector better integrated, and the entire system made cohesive before effective decentralization can occur.

Recent experiments with multi-service centres bear out this contention. Bringing services together does not eliminate the necessity of meeting the requirements of the multitude of agencies now funding human services programs, nor does it eliminate detailed regulations prescribing how each service is to be delivered. In fact, without legislative changes to allow more flexibility at the municipal level, a more decentralized delivery system would probably add to the already high ad-

ministrative costs of the human services. Implementation of the recommendation in chapter 7 (suggesting that councils try using their proposed power of delegation to give responsibility for certain functions to groups and agencies in the community) will enable municipalities to experiment in this field, without either forcing them to do so, or putting them in a position of having to adopt complete and irreversible decentralization in lieu of existing arrangements.

On the basis of its studies of the integration and decentralization of human services, the Commission wishes to express a word of warning about trying to make changes too quickly. For example, one of the greatest deterrents to the integration of human services is the lack of common service districts. Some human services agencies in Metropolitan Toronto are organized on a Metropolitan basis, others on an area municipality basis; some are designed to serve certain ethnic, religious, or age groups, others to deal with highly localized needs and problems. A number of the larger agencies have already decentralized their operations to service districts that reflect the distribution of their work load, and have made large investments in both facilities and staff to serve these districts. The cost and disruption of achieving compatible service boundaries among these well-established agencies would be enormous unless they were phased in over a considerable period of time.

The most reasonable approach to integration and decentralized delivery is to devise a plan to be achieved over a number of years. When revisions to ward or municipal boundaries in Metropolitan Toronto are made, for example, this objective should be kept in mind. The expansion or phasing out of a program, the replacement of inadequate facilities, and the introduction of new programs may all provide opportunities to achieve greater compatibility of service boundaries at modest cost.

The devising of appropriate service boundaries is one area where the Metropolitan Toronto Planning Department and local planning bodies can play a major role. As part of the preparation and review of their official plans, both Metro and the area municipalities could map the catchment areas of existing agencies and, in consultation with the human services advisory committee, divide the Metropolitan area into appropriate service districts. A plan should then be developed to phase them in. Eventually human services delivery districts, Metropolitan planning districts, and Metropolitan wards might become identical.

If the recommendation to strengthen Metro's role in the human services field is accepted, a number of initiatives could be taken by Metro to encourage integration. For example, the vertical way in which the human services now are organized has resulted in the development of highly specialized personnel who may perceive the integration of services as a threat to their careers. To offset this, it may be necessary to build new career incentives into the system, a subject to which Metro could address itself. Similarly, when new facilities are needed, consideration could be given to designing them to serve a number of different functions and house a variety of programs.

Once the practical obstacles to implementing an effective neighbourhood services system are recognized and overcome, municipalities will be able to make the necessary experiments to see if the advantages claimed can actually be realized in this environment.

Note

1. Central Toronto Youth Services, *Priorities: The Effects of Funding Structures on Services to Adolescents in Ontario* (Toronto, December 1976).

Introduction

The history of Ontario and the history of its educational system are deeply intertwined. During the nineteenth century reformers such as Jesse Ketchum and Egerton Ryerson laid the foundation for Ontario's present educational system in the way that others such as Robert Baldwin established the basis for its municipal structure. Public education in Ontario has its roots in The Common School Act of 1816, which provided government support for elementary education in what was then Upper Canada. Confederation in 1867 brought with it a constitutional guarantee of public support for a separate Roman Catholic school system. Compulsory, free public education was established by the passage of The School Act in 1871. From these beginnings, elementary and secondary education have evolved into the sophisticated and comprehensive system in place today.

Education was the only one of the "human services" placed under a two-tier Metropolitan structure in 1953. The need for financing and constructing schools in the rapidly growing parts of Metro was as urgent as the need for roads, sewers, and water supply. To meet these requirements, The Municipality of Metropolitan Toronto Act established a Metropolitan Toronto School Board, and the twenty-seven public school boards that had existed in the thirteen area municipalities were replaced by eleven area boards of education. The Metropolitan Separate School Board, successor to the Toronto and Suburban Separate School Board, was established at the same time. The Metropolitan Toronto School Board was made up of representatives of the area boards: the chairmen of the suburban and City boards plus the trustees receiving the most votes in each of the nine wards then in existence in the City.

The Metropolitan Toronto School Board was required to coordinate the capital programs of the area boards and submit these to Metro Council, which assumed responsibility for all existing school debentures and was the borrowing authority for all new school debt. The area boards remained responsible for servicing most of this debt, although the Metro Board could finance local debt charges up to a maximum approved by the Minister of Education for grant purposes. The Metro School Board was also the recipient of all provincial grants for education and distributed these to the area boards under a system of maintenance assistance payments. The area boards were required to raise the remainder of their revenues from their own property taxpayers through an educational levy collected by the area municipalities.

In 1964 a legislative change permitted the Metro Board to assume a proportion of local debt charges up to a ceiling to be set by the Board. As a result, the capital costs of new school construction could be met by the Metro area as a whole, and the inequities caused by the differences in assessment among the area boards could be partially overcome. But inequities in financial support for current expenditures remained, owing to the unwillingness of the majority of the members of the

Metro Board to meet more than 50 per cent of area board costs through maintenance assistance payments.

The continuing financial inequities of the school system were of major concern to the Goldenberg Commission, whose report in 1965 recommended a major overhaul of the educational government structure. The recommended structure entailed a Metro School Board and eleven district education councils whose boundaries would be different from those of the area municipalities. This system would be financed by provincial grants plus a uniform Metro-wide mill rate for education. The Metro Board would have budgetary control over the district education councils, but the latter were to have considerable discretion in the use of the resources allocated to them.

Some aspects of the Goldenberg Report's proposals regarding education were implemented in 1967. Area boards of education with the same boundaries as municipalities were chosen instead of the proposed education districts, but the recommended Metro-wide mill rate for education – collected through a levy by Metro Council on area municipalities – was implemented. The present system of representation whereby Metro Board members are chosen by the area boards was established. The Metro Board was given control over the budgets of the area boards, but the latter retained the power to impose a small additional discretionary levy. These changes resulted in greater equity in levels of service among the boards of education in Metro, at least as measured by pupil-teacher ratios.¹ But the fiscal gaps remained; in the absence of any overall ceiling on expenditures the largest boards (Toronto and North York), with a dominant position on the Metro Board, were not prepared to curtail the growth of their expenditures so that the smaller and less wealthy boards could bring their levels of service closer to those of the larger boards.

Until 1969 provincial grants to boards of education were of the foundation type; they were designed to help those boards of education with relatively low assessments to provide a basic level of service equal to a provincial standard. This program was of relatively little benefit in Metro, where the assessment base allowed the level of service provided by all boards to be above that set as the basis for the foundation grant. With the consolidation of school boards outside Metro in 1969, a new provincial grant formula was introduced. It provided each board in the province with the ability to make the same expenditure per pupil (subject to a grant ceiling) for the same mill rate regardless of its equalized assessment. But the plan placed no limit on a board's power to spend beyond the level of the grant ceiling, and many boards took full advantage of that freedom. Concern about educational costs led the provincial government to place ceilings on overall expenditures by boards of education in 1971.

The provincial ceilings imposed severe strains on Metro's boards of education, all of which were spending at a level well beyond the ceiling set by the province. But since the ceilings were applied to the Metro system as a whole, they provided a



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strong impetus for the equalization of per pupil expenditures among the area boards, although they also eliminated the small amount of financial autonomy that the area boards had had as a result of the discretionary levy.

These strains prompted the Minister of Education to appoint a Commission on the Organization and Financing of the Elementary and Secondary School Systems in Metropolitan Toronto under the chairmanship of Mr. Barry Lowes. The Lowes Commission submitted its report in 1974, just prior to the appointment of the Royal Commission on Metropolitan Toronto.

The Lowes Commission was the first major public inquiry devoted exclusively to the organization and structure of the educational system in Metropolitan Toronto, and its report contains a comprehensive analysis and a great many recommendations. The Royal Commission on Metropolitan Toronto has relied heavily on that work in the preparation of its recommendations concerning the educational system; it has been unnecessary to undertake major new research in this important field. Even so, there have been further changes affecting Metro's educational system since the Lowes Report was released. The most important of these is the removal of the provincial expenditure ceilings in 1975.

The System Today

The present structure for providing public elementary and secondary education in Metropolitan Toronto is outlined in a schematic form in Figure 17.1. Public school trustees are elected for two-year terms to the area boards of education. They are elected from the same wards and in the same numbers as are aldermen. In addition, separate school supporters elect two trustees (three in the City) to the area boards from special wards to provide a voice for separate school supporters in the education of former separate school students who have entered the public school system. These area boards choose their chairmen and their representatives on the Metropolitan Toronto School Board, of whom one is the local board chairman. The Metro Board chooses its own chairman.

The members of the Metropolitan Separate School Board are directly elected by separate school supporters from special wards throughout Metropolitan Toronto. This board directs the separate school system which provides education up to and including grade 10. The Commission concludes that the separate school system is functioning adequately in fulfilling the constitutional requirements for this type of system, and it makes no recommendations on this subject.

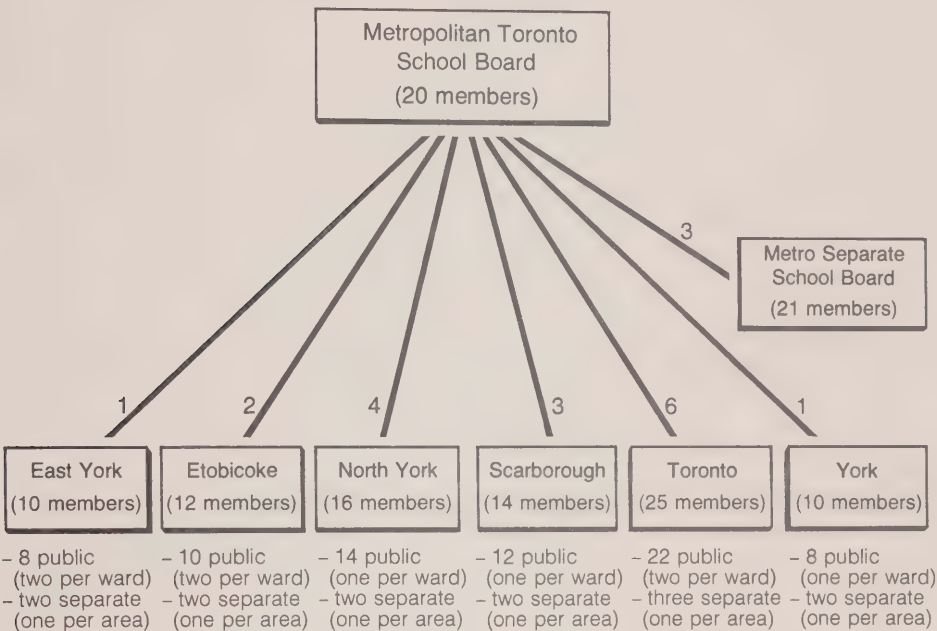
Within the public school system, the Metropolitan Toronto School Board has the following responsibilities:

- preparation and adoption of an annual education budget for both capital and current expenditures for the entire Metropolitan area, including the allocation among the area boards of both provincial grants and the proceeds of the Metro-wide educational levy;
- operation of schools for the trainable mentally retarded, and transportation of blind and deaf pupils to provincial educational institutions;
- provision or coordination of a wide range of services on behalf of the area boards, including salary negotiations with teachers (through the Committee of Board Chairmen), review of trends and problems in public (as distinguished from separate) school support, research, and planning.

The area boards of education are responsible for the actual operation of the school system within the financial framework established by the Metro Board and in accordance with the laws and regulations of the provincial government concerning curriculum and school administration. This responsibility involves a wide range of activity, from the construction and staffing of classrooms, and designing and operating special programs in such fields as remedial reading and multiculturalism, to negotiating with agencies such as boards of health and municipal recreation departments for ancillary services to students.

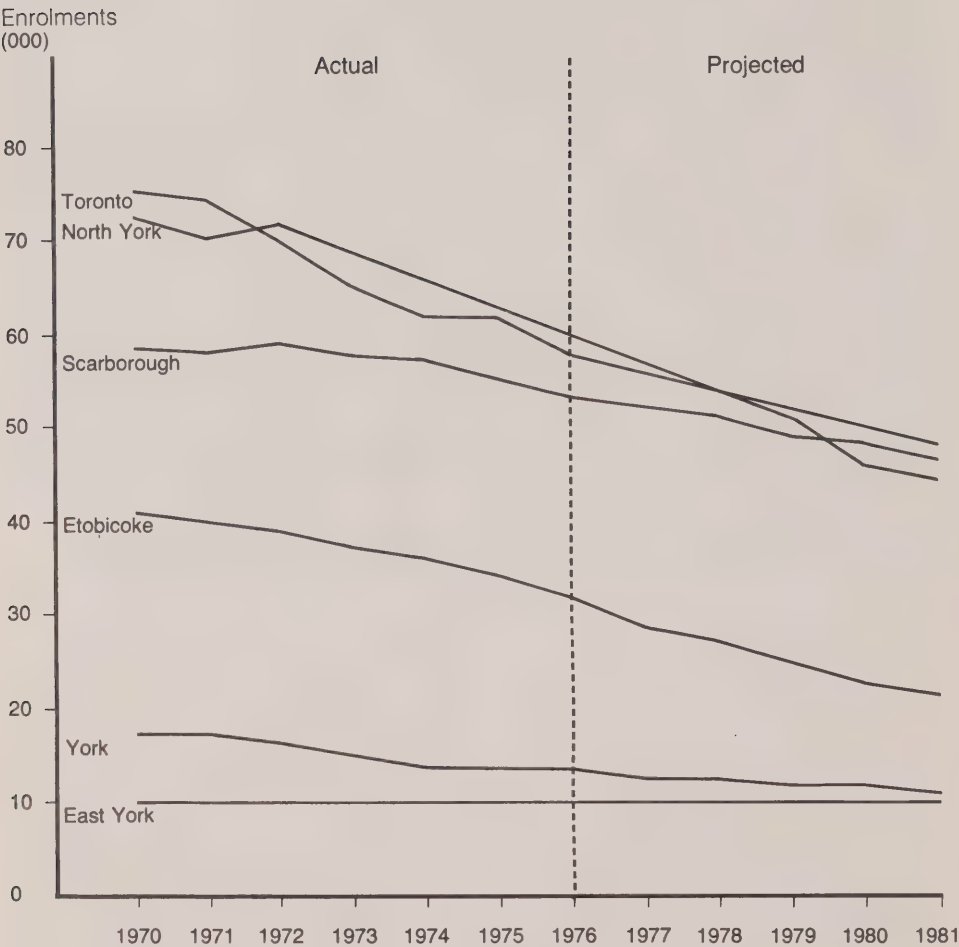
The Metropolitan Toronto public education system is large and complex, with a 1976 enrolment of 370,000 students, expenditures of nearly \$700 million, and a

Figure 17.1: Present Structure of the Metropolitan Educational System



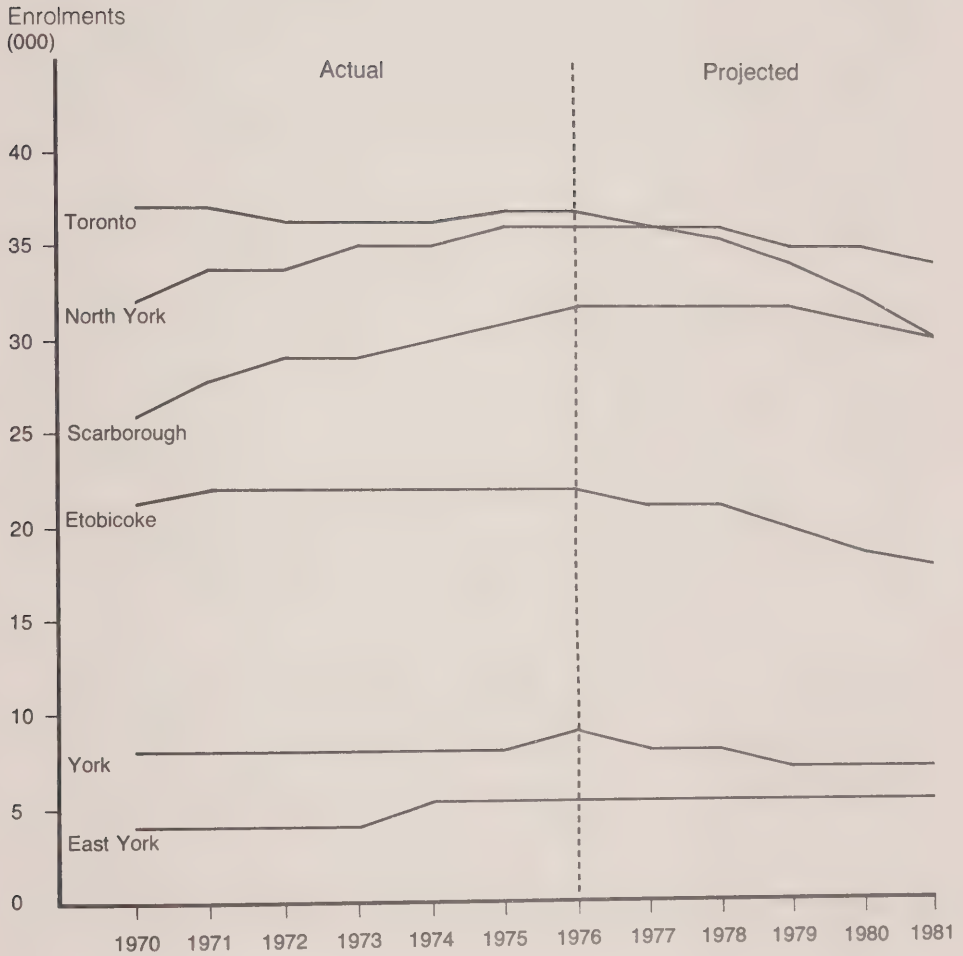
SOURCE: Mary Collins Consultants and Community Social Planning Associates. *Social Policy in Metropolitan Toronto*. The Royal Commission on Metropolitan Toronto (Toronto, 1975), p. 47.

Figure 17.2: Elementary Enrolments of Area Boards of Education, 1970-76, and Projected Enrolments, 1977-81



SOURCE: Metropolitan Toronto School Board

Figure 17.3: Secondary Enrolments of Area Boards of Education, 1970-76, and Projected Enrolments, 1977-81



SOURCE: Metropolitan Toronto School Board

total of 28,000 employees. But the most important fact about the system today is that its enrolment is declining, a trend that is expected to continue for the foreseeable future. Figures 17.2 and 17.3 show the enrolment trends in recent years and provide a projection of these into the future.

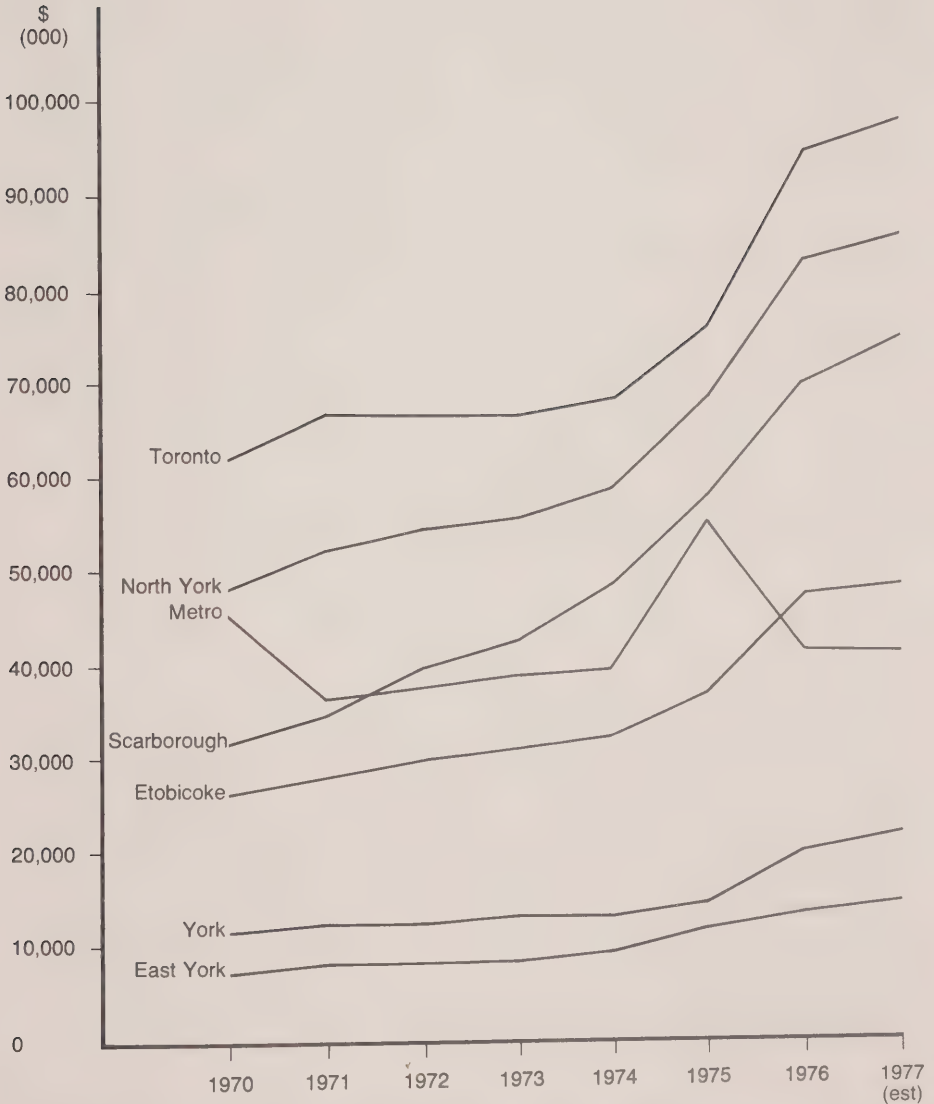
The enrolment declines reflect in part a province-wide trend to smaller families. Within Metro, these trends are reinforced by the other factors already mentioned in this report: a slowing of new development, reduced population growth, and an aging population. For the school system, the effect is that of an engine running in reverse – a system designed to facilitate rapid expansion is now attempting to cope with a negative growth rate. This is occurring at a time when there is strong emphasis on curtailing public expenditures and continuing public concern with the costs of education in particular.

The boards of education have found it impossible to reduce expenditures at exactly the same rate that enrolment declines. A loss of thirty students in an elementary school may be spread throughout the grades and result in no net decline in the number of classrooms or teachers required. Even when entire classes can be eliminated, the empty classrooms must be heated (with increasingly costly fuel) and maintained. And the elimination of teaching jobs is a painful process strongly resisted by teachers' organizations. Partly as a result of these factors, expenditures by the Metro and area boards of education have continued to grow both in absolute magnitude (Figures 17.4 and 17.5) and per pupil (Figures 17.6 and 17.7). But it is also suggested frequently that more progress in reducing expenditure growth would be possible if structural changes were made to increase the accountability of elected trustees. In the light of this situation, Metro's education system merits serious re-examination.

In addition to the current problems within the educational system, the Commission has had to consider the relationship between that system and Metro's municipal structure. The political and administrative structures for education in Ontario have always been closely related to those for municipal government. This is certainly so in Metro. The boundaries of the area municipalities are the same as those of boards of education, and the same wards are used for the election of both trustees and municipal councillors. It has been suggested that this arrangement is not always appropriate to the needs of the educational system and that too often the municipal tail wags the educational dog when structural changes are under consideration.

There are, however, strong arguments for retaining the close connection between municipal governments and boards of education. They share the same local tax base, and a common electoral system is simpler and more easily understood by voters, and reduces the administrative costs of elections. Boards of education use municipal library, public health, parks and recreation services, while municipalities use school facilities for recreation and community activities. Un-

Figure 17.4: Gross Expenditures of Boards of Education for Elementary Education, 1970-77

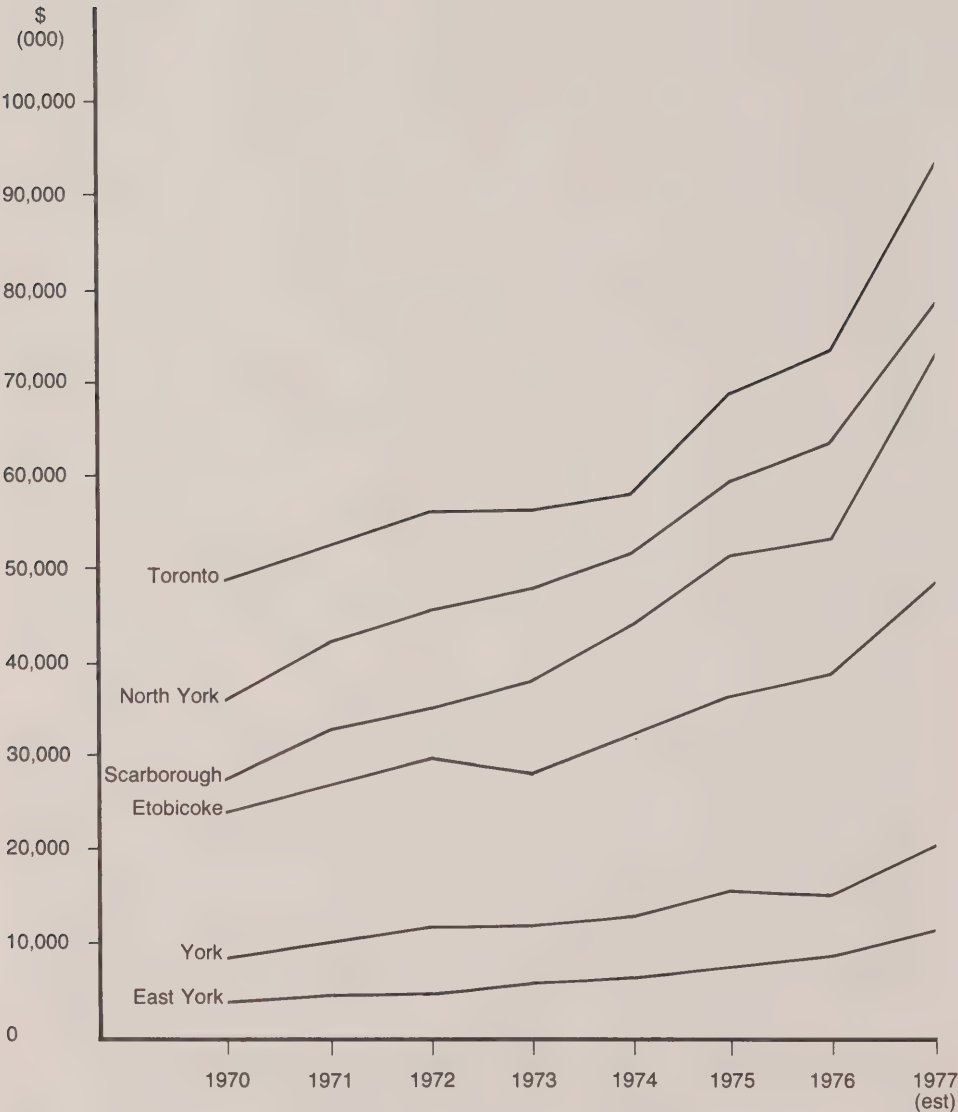


NOTE:

The fluctuations in expenditures of the Metro Board result from the temporary deposit of area board funds with the Metro Board pending the outcome of salary negotiations.

SOURCE: Metropolitan Toronto School Board

Figure 17.5: Gross Expenditures of Boards of Education for Secondary Education, 1970-77



NOTE: Figures for 1975 have not been adjusted to remove the effect of the strike by secondary teachers. The fluctuations in expenditures of the Metro Board result from the temporary deposit of area board funds with the Metro Board pending the outcome of salary negotiations.

SOURCE: Metropolitan Toronto School Board

doubtedly, this type of cooperation is enhanced if the constituencies of the elected representatives are the same and the administrative jurisdictions coincide.

These factors assume even greater importance in the light of the present situation in Metropolitan Toronto. Education is much more heavily financed from the local tax base in Metro than is generally the case in the rest of Ontario (Figures 17.8 and 17.9 and Table 10.10 on p. 189) and the most effective use of every local tax dollar is of prime importance. With enrolments in the school system declining rapidly, cooperation in the use of extra space and facilities is imperative. These factors were recognized by the area boards of education in Metro in their briefs to the Commission: four recommended that the boundaries of boards and municipalities continue to coincide, and none proposed any alternative structure that would violate this principle.

The Commission concludes, therefore, that it is definitely preferable to devise a governmental structure that is effective for both education and municipal government. It is this that the Commission has attempted.

Recommendation 17.1: The boundaries of area municipalities and area boards of education in Metropolitan Toronto continue to coincide.

The Commission's findings on education fall within four areas:

- the role and function of the Metropolitan Toronto School Board;
- the number and size of the area boards of education;
- the electoral system for education as it relates to the municipal electoral system; and
- the financing of education in Metropolitan Toronto.

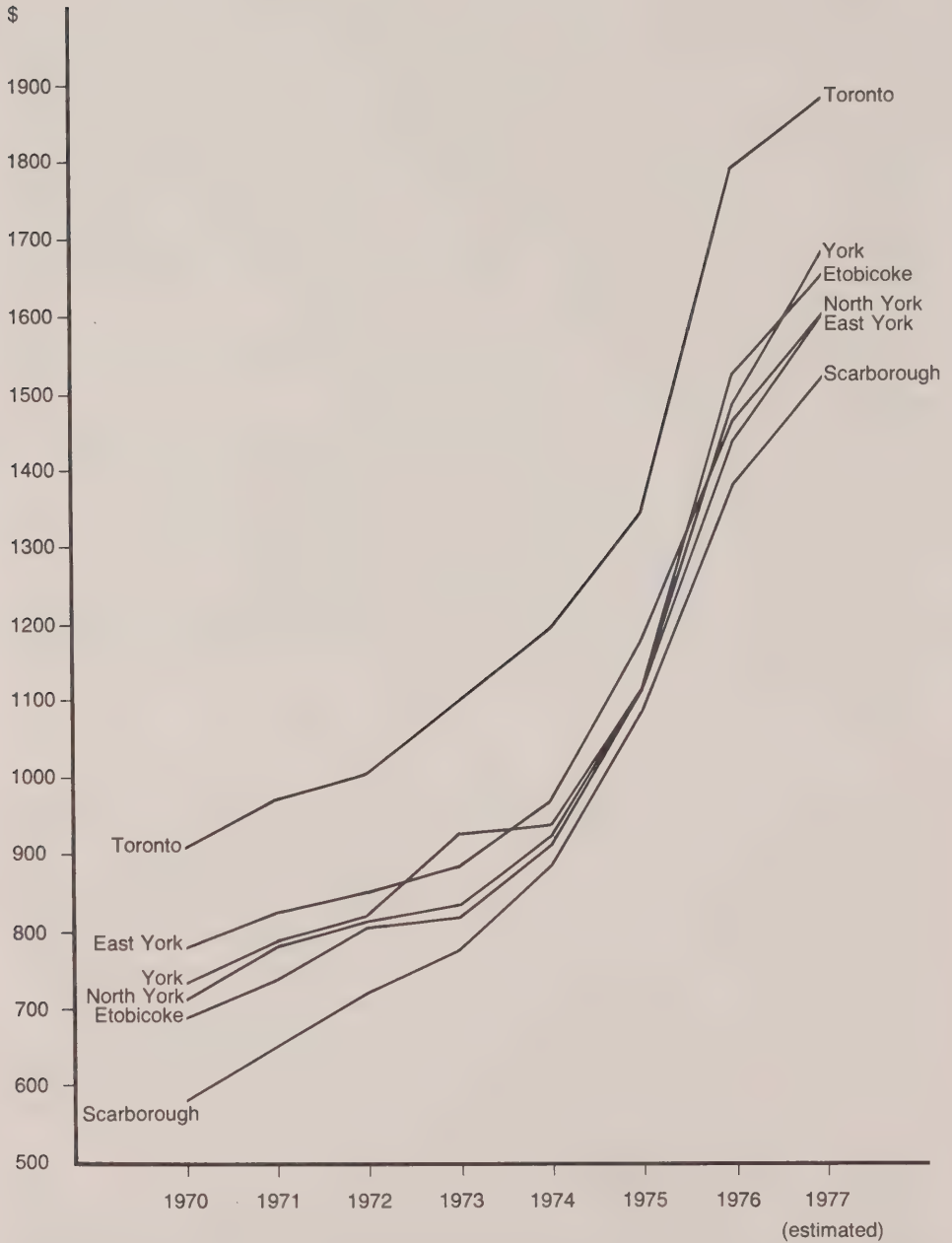
The Role and Function of the Metropolitan Toronto School Board

The Commission found evidence of widespread disagreement about the role and even the continuing need for the Metro Board. Two boards of education recommended to the Commission that the Metro Board be abolished, while others recommended its retention with modifications. The Lowes Commission recommended that the Metro Board be retained with reduced responsibilities, while the Committee on the Costs of Education came to the conclusion that it should be abolished. This complex subject is one that deserves extremely careful attention.

Advantages of the Metro Board

It is generally conceded that the main advantage of the Metropolitan Toronto School Board is that it achieves a degree of equalization in educational expenditures and in educational taxation within Metropolitan Toronto. With control over the

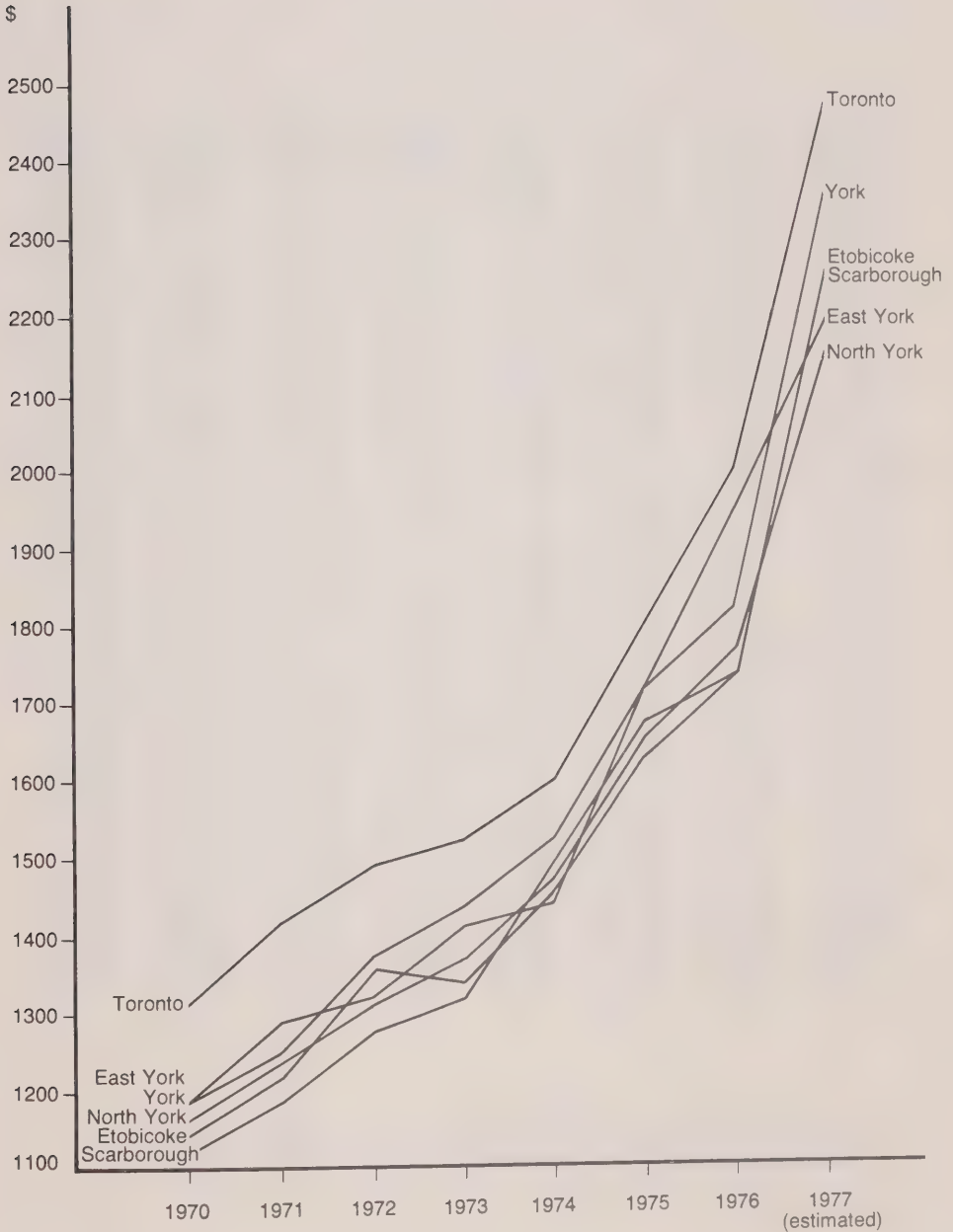
Figure 17.6: Gross Expenditures per Elementary Pupil of Area Boards of Education, 1970-77



NOTE:

Per pupil expenditures of the Metro Board are for specialized education and are not directly comparable with those of the area boards. Per pupil figures are based on average daily enrolments.

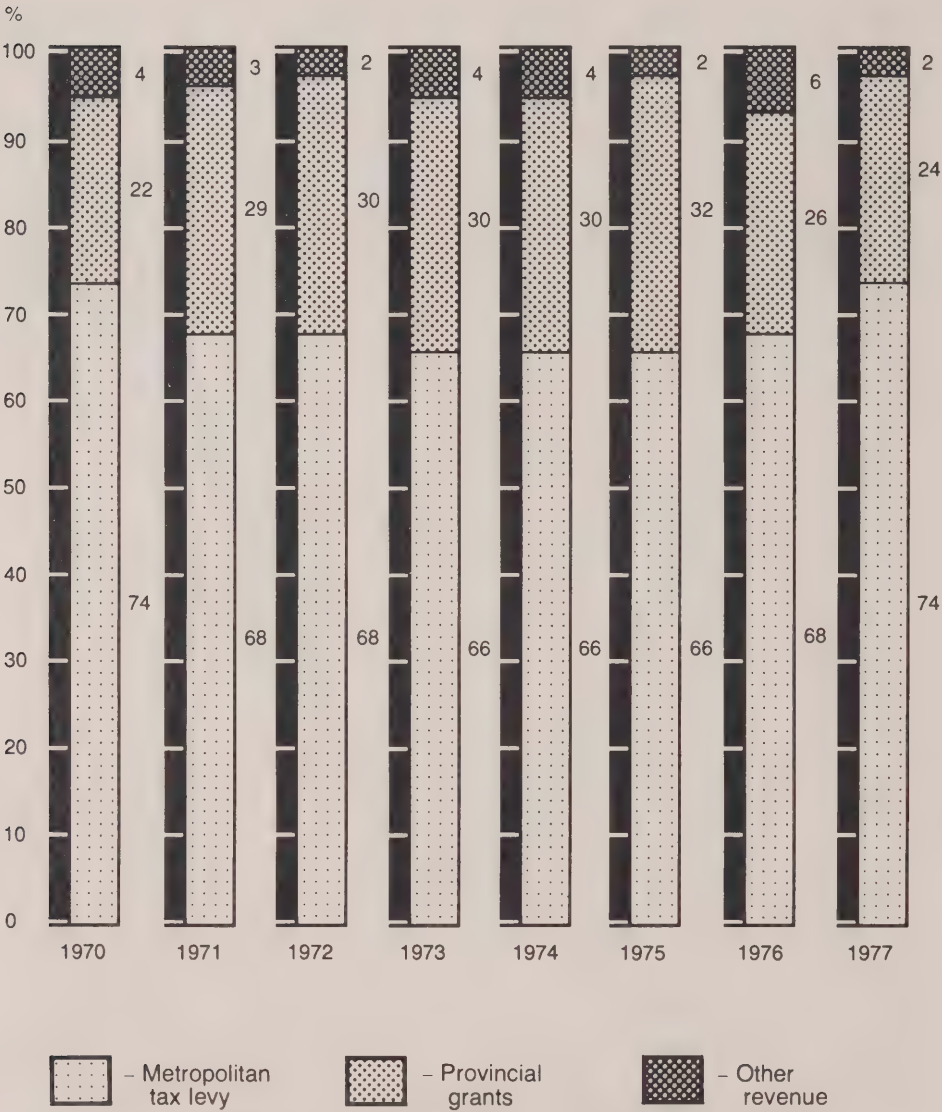
Figure 17.7: Gross Expenditures per Secondary Pupil of Area Boards of Education, 1970-77



NOTE:

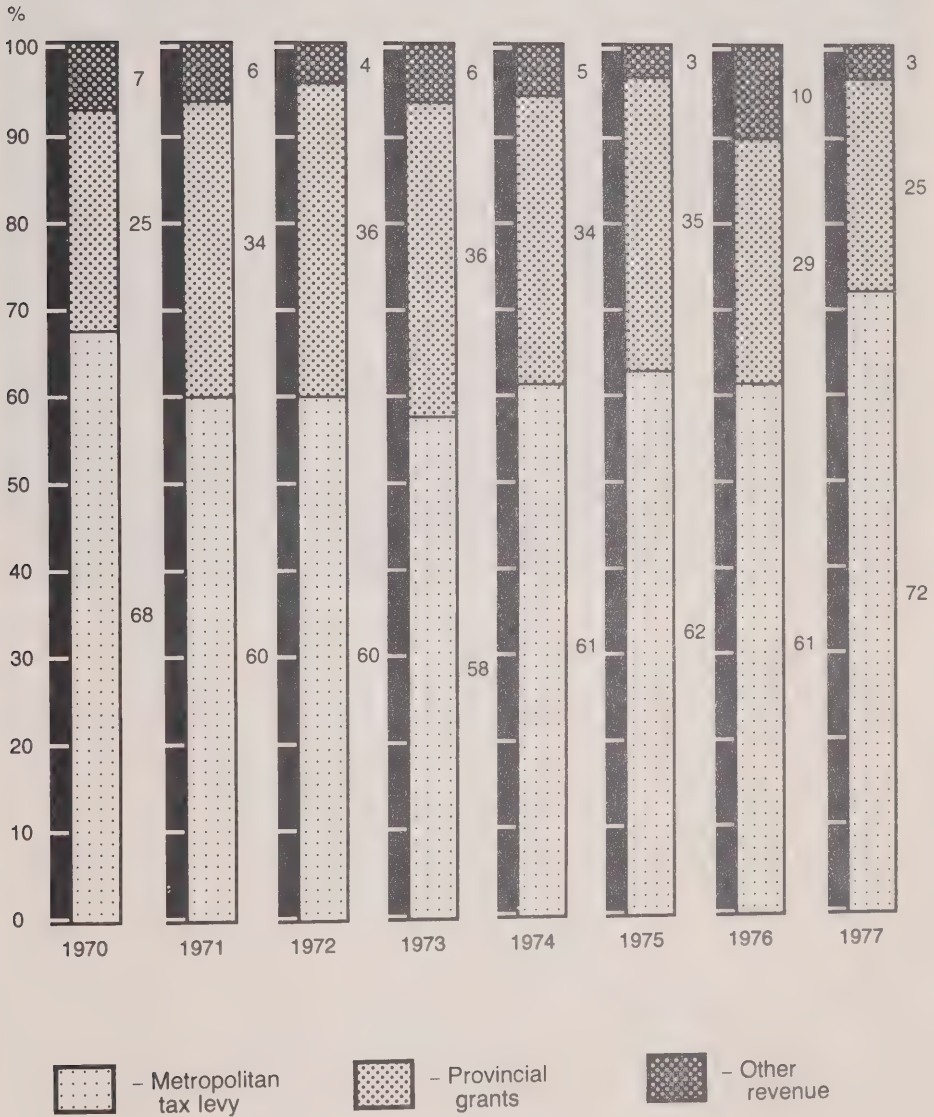
Per pupil expenditures of the Metro Board are for specialized education and are not directly comparable with those of the area boards. Figures have not been adjusted to remove the effect of the 1975 teachers' strike. Per pupil figures are based on average daily enrolments.

Figure 17.8: Sources of Revenue for the Composite Current Budget for Elementary Education in Metropolitan Toronto, 1970-77



SOURCE: Metropolitan Toronto School Board

Figure 17.9: Sources of Revenue for the Composite Current Budget for Secondary Education in Metropolitan Toronto, 1970-77



SOURCE: Metropolitan Toronto School Board



distribution of provincial grants and the proceeds of the Metro-wide mill rate, the Metro Board has developed a highly complex set of formulas designed to achieve equity in the distribution of these funds. On the taxation side, the local costs of education in Metro are distributed among the municipalities of the entire area on the basis of their share of assessment. Under this equalization arrangement the City of Toronto, with 39 per cent of the area's assessment, makes a substantial contribution to the educational revenue needed by the other boards of education.

The Metro Board's responsibility for educating the trainable mentally retarded has resulted in services for these pupils that the area boards would have found difficult to provide during the period of rapid growth. This direct education role has also served to demonstrate that the Metro Board can deal with academic matters effectively when called upon to do so.

There is no question that the opportunity for coordination and cooperation offered by the Metropolitan Toronto School Board is a considerable advantage to the educational system of the area. Indeed, the Commission has noted the need for this sort of cooperation in Metro in other fields, such as public health and fire protection. There are several outstanding examples of benefits of the cooperation among area boards that have been achieved through the Metro system. Subject only to space being available, secondary school students may now attend any school of their choice in Metro. The Metro Board, through the Committee of Board

Chairmen, conducts labour negotiations on behalf of the area boards. Surplus teaching staff are shared among the area boards. A common accounting system has been developed and implemented cooperatively. In these and a number of other areas the very existence of the Metropolitan Toronto School Board has served to encourage and facilitate cooperation that has resulted in a more effective school system.

Another advantage of the Metro Board claimed by some is that it has been of value to the area boards in their dealings with the provincial Ministry of Education. The internal allocation formulas of the Metro School Board have enabled it to preserve a degree of autonomy from provincial financial supervision. In addition, the collective voice of the Metro Board speaking for all the area boards is thought to carry more weight with the Ministry than would individual approaches by the area boards. The individual boards are still free, of course, to approach the Ministry directly in those instances when there is no general agreement or when there is a subject of particular concern to only one board.

Finally, the Commission was told that there is value in maintaining a governing body that is one step removed from local pressures and able to take an overview of educational needs and priorities in Metro. Such a body can undertake research and planning for the future, and temper local concerns with a broader, longer-term perspective.

Disadvantages of the Metro Board

Those who propose the abolition of the Metropolitan Toronto School Board or a reduction in its responsibilities do not question the extent of its past achievements. Instead, they suggest that the primary reason for its establishment – to deal with the rapid expansion of the education system – no longer exists, and that its major continuing role – the equitable distribution of funds – can now be achieved through the provincial grant system. The provincial funding formulas are now sufficiently refined to supplant the Metro budget formulas, which many say are so complex as to be comprehensible only to a handful of educational officials. This complexity and the strong financial role of the Metro Board reduce the accountability of area boards to their taxpayers.

It is also suggested that the present structure provides a strong incentive to area boards to make expenditures beyond the level required by realistic service needs. At present virtually all expenditures by area boards are met by either provincial grants or the Metro-wide mill rate, and the burden to its own ratepayers of excessive expenditures by one board is consequently reduced. This feature in turn encourages all the boards in the Metro system to spend more, since they will be sharing responsibility for the increased expenditures of a high-spending board anyway. In short, each board tends to want a piece of the pie. And there is a greater incentive to want a bigger piece than to be concerned about the total size of the pie.

The abolition of the Metropolitan Toronto School Board would eliminate a number of procedures that are a source of annoyance to trustees and officials of area boards. For example, plans for school construction or for the conversion of surplus classrooms to other uses, already subject to extensive analysis and consideration at the area board level and to authorization by the Ministry of Education, must also be submitted to the Metro Board for another detailed review and approval. The plethora of committees that function under the Metro Board has a severe impact on the schedules of trustees and senior staff, reducing their accessibility to parents, employees, and students and the attention they can give to running their own programs.

Those who advocate the abolition of the Metro Board also point out that its special education responsibilities could be easily absorbed into the area board systems; where a school serves students from more than one board, the costs could be recovered from the participating boards. There is a trend now to provide education for the trainable retarded in regular schools rather than to segregate children with these difficulties from their contemporaries. This trend could be accommodated in Metro if responsibility for these students were transferred to the area boards.

Finally, it is suggested that such coordination as is useful in matters of common concern can be carried out by a more informal committee of board chairmen supported by the advisory council of directors of education and a small secretariat. In fact, even now the Committee of Board Chairmen and the advisory council of directors play an important coordinating role. This type of arrangement would emphasize the accountability of the chairmen and directors of education to their respective area boards rather than to the more remote and indirectly elected Metro Board.

The Key Questions

In assessing the proposed abolition of the Metropolitan Toronto School Board, the Commission assumes that the Metro-wide mill rate would also be abolished; if this were not done, it would be necessary to retain or re-invent the Metro Board to allocate the money raised on a Metro-wide basis. Therefore, it is assumed that each area board would receive the provincial grants to which it is entitled and would make up the remainder of its revenues from a local levy on its own ratepayers. This proposal must be considered in relation to five key questions.

What would be the effect on the financial resources of the area boards?

The Commission asked the Ministry of Education to estimate the amount of provincial grants that would have been payable to each of the area boards in 1976 had there been no Metro Board. The results, which include adjustments to remove the financial effects of the teachers' strike in that year, are presented in Table 17.1.

It should be stressed that the strong financial position of the City of Toronto resulted in a net transfer of funds from that board to the other boards in Metro. This would also have occurred if provincial grants had been payable directly to the area boards; in effect, Toronto would have been required to give up funds to the province in some grant categories to satisfy the provincial equalization formula. The Commission assumed in making these calculations that Toronto's grant would have been nil rather than a negative amount in these categories. The two boards with the lowest assessment per pupil, Scarborough and York, would have experienced losses in support if provincial grants had been paid directly to the area boards. The system as a whole would have received \$1.5 million more with direct provincial funding of the area boards, mainly because of the assumption that no "negative grant" would be imposed on the City of Toronto.

What would be the effect on mill rates?

Table 17.2 estimates the effect on mill rates of raising the remainder of the 1976 expenditures of the area boards through property taxes. The change would have resulted in an estimated disparity of 12.68 mills for elementary and secondary education between the highest (York) and the lowest (East York), representing a variation of \$89 in educational taxes in that year for houses assessed at \$7,000 in the two municipalities. It is estimated that mill rate increases of more than five mills, representing education tax increases of 7 per cent, would have occurred in Scarborough and York had the Metro Board been abolished in 1976, while mill rates in East York would have declined by 7.25 mills (10 per cent) and in Toronto by 2.27 mills (3 per cent).

It must be stressed that the figures in Tables 17.1 and 17.2 are estimates and not exact determinations of the effect of abolishing the Metro Board. The precise figures are unknown and unknowable. They would depend in part on the effect of the transfer to area boards of such Metro Board responsibilities as education for the mentally retarded, research, and planning. In addition, there is no certainty that expenditures of area boards would have followed the same pattern if the Metro Boards had not existed in 1976. In fact, part of the purpose of greater local autonomy is to permit differences in programs in response to local choices. To the extent that the priorities of area boards would be different from those established under the Metro system, differences in expenditure – and thus mill rates – would arise.

These disparities in mill rates would occur because the expenditures of all area boards are significantly above the level of expenditures eligible for grants. Consequently, the proportion of expenditure that exceeds the grant ceilings must be financed completely through property taxes. Because of the wide variations in assessment per pupil among the boards, there would be great differences in the amount of money per pupil that could be raised by the same mill rate increase imposed by each of the boards. Table 17.3 illustrates the revenue per pupil that

Table 17.1: Estimated Impact of the Abolition of the Metropolitan Toronto School Board on the Allocation of 1976 Provincial Education Grants *

Municipality	As allocated by Metro Board	As allocated by provincial formula	Gain (or loss) if allocated by provincial formula	Per cent	Per pupil
	Gross	Per pupil	Gross	Per pupil	Per pupil
ELEMENTARY					
Toronto	\$ (458,304)	\$ (7.84)	\$ 2,621,783	\$ 44.84	\$ 52.68
North York	31,177,914	518.29	31,487,461	523.44	5.15
Scarborough	42,011,393	765.19	40,558,345	738.73	(26.46)
Etobicoke	10,071,239	320.30	10,169,576	323.43	3.13
York	10,873,681	795.09	9,993,418	730.73	(64.36)
East York	3,733,813	373.01	5,029,719	502.47	129.46
TOTAL	\$97,409,736	\$426.02	\$99,860,302	\$436.73	\$ 10.71
SECONDARY					
Toronto	\$ 930,451	\$ 25.25	\$ 3,795,565	\$103.00	\$ 77.75
North York	21,561,401	595.65	21,498,229	593.91	(1.74)
Scarborough	34,699,948	1092.74	31,170,515	981.59	(111.15)
Etobicoke	12,873,012	584.71	12,674,433	575.69	(9.02)
York	8,935,821	1041.84	8,330,074	971.21	(70.63)
East York	1,200,865	238.60	1,847,199	367.02	128.42
TOTAL	\$80,201,498	\$571.12	\$79,316,015	\$564.82	\$ (6.30)

* Figures are adjusted to remove the effects of the strike and the provision for a minimum grant that was uniquely applicable in 1976. Figures are adjusted to take account of calculations for supplementary taxes and tax write-offs that have proven to be different from those originally made by the Metro Board. Calculation was based on the most current weighting factor data available, being those for 1977. The application of provincial grant formulas would have resulted in the City of Toronto being liable for the payment of a "negative grant" to the province in some categories to satisfy the requirement for province-wide equity. This table is based on the assumption that such a payment would not be imposed in practice.

SOURCE: Ministry of Education.

Table 17.2: Estimated Impact of the Abolition of the Metropolitan Toronto School Board on 1976 Educational Mill Rates*

Municipality	Mill Rates under Metro Board			Mill rates without Metro Board			Tax increases (decreases) without Metro Board	
	Elementary	Secondary	Total	Elementary	Secondary	Total	Total Mills	Per cent
Toronto	41.25	34.52	75.78	40.02	33.49	73.51	(2.27)	(3)
North York	41.25	34.80	75.05	41.04	34.84	75.88	(.83)	(1)
Scarborough	40.60	34.96	75.56	42.27	38.62	80.89	5.33	7
Etobicoke	41.52	35.10	76.62	41.41	35.27	76.68	(.06)	—
York	41.17	35.29	76.46	44.60	37.22	81.82	5.36	7
East York	41.50	34.89	76.39	36.51	32.63	69.14	(7.25)	(10)
Metro-wide basis†	41.21	34.79	76.00	40.82	34.91	75.73	(.27)	—

* Figures are adjusted to exclude the provision for minimum grants (which applied only in 1976), the effect of the secondary teachers' strike, and the effect of a miscalculation in the Metro Board estimates with respect to tax adjustments. Metro Board expenditures of \$120 million are allocated to the area boards in this illustration of the effect of abolishing the former.

† The "Metro-wide basis" represents the mill rate that would be necessary to raise local revenues needed to complement provincial grants in each of the two cases. The Metro-wide basis mill rate is that which would yield the necessary revenue if all taxpayers in Metro were charged the same mill rate for education.

SOURCE: Ministry of Education

Table 17.3: Per Pupil Revenue Yield of One Mill in Education Property Tax in the Area Municipalities of Metropolitan Toronto, 1976

Per pupil yield of one mill	Toronto	North York	Scarborough	Etobicoke	York	East York
Elementary	\$46	\$25	\$16	\$31	\$20	\$28
Secondary	74	47	30	49	37	58

SOURCE: Ministry of Education

could be raised by one additional mill for each of the boards. Toronto, for example, could raise 2.9 times more than Scarborough for elementary purposes and 2.5 times more for secondary.

It is clear then that significant disparities in taxation would result from the abolition of the Metro Board. To the extent that local taxpayers resist the extra burdens in municipalities where these would result, there could well be a curtailment of expenditures that would affect the quality of education in these areas.

How would debt charges and new capital projects be financed?

Since 1964 capital expenditures have been financed by the Metro Board on an area-wide basis. It would be possible to allocate this debt to the area boards if the Metro Board were abolished, and such an allocation was made in developing the data in Tables 17.1 and 17.2. While the impact of such an allocation of debt load would be reduced by the present level of provincial grants for capital purposes, there would still be higher mill rates for debt service for Scarborough and York than for other boards, as demonstrated in Table 17.4.

Alternatively, the funds to service all existing educational debt could continue to be raised by a Metro-wide levy. The proportion to be borne by each area board could be determined by calculating its relative assessment base. There would be no need to continue the Metro Board for this purpose.

Table 17.4: Mill Rates Required to Meet the Local Share of Educational Debt Charges in the Area Municipalities of Metropolitan Toronto, 1976

	Toronto	North York	Scarborough	Etobicoke	York	East York
Elementary	2.39	3.91	3.67	2.91	5.38	2.75
Secondary	1.48	1.21	2.36	1.94	1.89	.72
Total	3.87	5.12	6.03	4.85	7.27	3.47

SOURCE: Ministry of Education

A larger problem is presented by the question of how the local share of new capital expenditures is to be financed. The capital needs of the Metro school system are expected to grow less quickly in the future, since the period of intense school construction is over. To a far greater extent than in the past, the provincial government provides support for capital expenditures, but the proportion that must be borne locally is still substantial. Of even greater significance, the Scarborough board still has major capital needs for new school construction, and is expected to account for more than half of the capital expenditures of the Metro school system between 1976 and 1980. If there is still validity to the idea that the entire Metro area should bear the local costs of new school construction, it would be inequitable to burden the ratepayers of that borough with the responsibility for the local portion of these expenditures just because it is the last one with substantial lands still to be developed. And Scarborough is far from being eligible for the extra provincial assistance that is available if a board has a high growth rate. One further consideration, the exact distribution among the area boards of capital needs for renovating or replacing older schools, cannot be predicted with accuracy at this time.

If the Metropolitan Toronto School Board were abolished, then, some means of allocating capital funds would be necessary, at least until Scarborough's expansion program is completed. One option is to assign this responsibility to the Committee of Board Chairmen, but this would not be fully representative of the population or the assessment bases of the participating boards. An alternative is to assign the responsibility for capital allocations to Metro Council. Such a step would make elected boards of education subordinate to an elected municipal council, thus violating a long-standing tradition in Ontario.

Could the area boards assume responsibility for educational services now provided by the Metro Board?

There is little doubt that the transfer of the Metro Board's direct education responsibilities to the area boards would be possible and probably even desirable. The area boards now operate a number of special education programs quite effectively, and substantial benefits might accrue by integrating programs for the mentally retarded with these and with the regular school system. In addition, with surplus space and staff, the area boards are now better able to make resources available to fulfil this responsibility.

Can cooperation among area boards be continued without the Metro Board?

The existence of the Metro Board has certainly facilitated cooperation among the area boards, and the financial power of the Metro Board has no doubt acted as an inducement to such cooperation. In fact, cooperative effort is now so common that it is unlikely to disappear if the Metro Board were abolished. There is a general recognition that joint action in key areas such as salary negotiations is in

the interest of all participants; cooperation in these fields could be fostered by a committee of board chairmen.

The removal of the Metro Board would tend to make the area boards more clearly accountable even in areas where cooperative arrangements continue; the current tendency to blame the Metro structure for any rigidities would be eliminated.

An Evolutionary Approach

In the Commission's judgment, the answers to these key questions indicate that the Metropolitan Toronto School Board is still necessary to provide the financial base for the completion of the school system in parts of Metro that are still being developed. The Metro Board also plays an important and still valid role in equalizing the funds available for current operations among the area boards, and it can help to ensure the effective use of staff and facilities by the area boards as enrolments decline. Until development has ceased and enrolments have stabilized, the complete abolition of the Metro Board is premature.

In addition, the exact impact of the Commission's proposals for changes in boundaries and in the electoral system (discussed in general terms below) is not known. Those changes, if implemented, would result in a major upheaval in the educational system of Metropolitan Toronto even if no change were made in the status and responsibilities of the Metro Board. Further, conversion to market value assessment and the announced reform of the property tax will have significant implications for educational finance in Metro. It will take time to absorb and adjust to these changes, and to transfer full responsibility for educational finance to the area boards at the same time would be to run the risk of serious disruptions in the lives of students, trustees, teachers, and taxpayers.

The Commission is convinced, however, that a gradual phasing-out of the responsibilities of the Metro Board is feasible and desirable in the interests of a simpler, more accountable local educational system. The eventual abolition of the Metro Board can be expected to facilitate the most effective and responsive use of financial and other resources. A gradual approach will allow the area boards to assume more autonomy progressively and to adjust to these and other changes over a period of time. Major disruptions will be avoided, but progress will be made toward a structure of educational government that is more appropriate to Metro's evolving circumstances.

This process can begin with the transfer of the Metro Board's direct educational responsibilities to the area boards of education. In implementing this proposal, it is important to ensure that the transfer of responsibility does not deprive any child of access to education appropriate to his needs, regardless of his municipality of residence. Provision must be made that all children are looked after, and that boards are reimbursed for services they provide to children who live elsewhere.



Roy Nicholls

Recommendation 17.2: The direct educational responsibilities of the Metropolitan Toronto School Board be transferred to the area boards of education, with provision made to ensure that no child is thereby denied access to appropriate educational services.

The next stage in the process is the payment of provincial grants to each area board rather than to the Metro Board. This should not be attempted until the proposed changes in boundaries and the electoral system, if implemented, have been in place long enough for the necessary adjustments to be made. Two years should be sufficient.

Recommendation 17.3: Beginning two years after the implementation of the recommended changes in municipal boundaries and in the electoral system, provincial legislative grants be paid directly to the area boards of education.

Table 17.5: Variations in Size of Boards of Education in Metropolitan Toronto, 1976

Municipality	Enrolment Elementary	Enrolment Secondary	Total	Population	Gross expenditures \$	Total employees	Number of public trustees	Enrolment per public trustee	Population per public trustee
Toronto	58,465	36,849	95,314	678,103	166,671,865	8,409	22	4,332	30,823
North York	60,155	36,198	96,353	558,067	144,479,789	7,145	14	6,882	39,862
Scarborough	54,903	31,755	86,658	380,931	122,026,502	6,167	12	7,222	31,744
Etobicoke	31,443	22,016	53,459	293,464	82,739,302	4,081	10	5,346	29,346
York	13,676	8,577	22,253	139,612	34,147,686	1,784	8	2,782	17,452
East York	10,010	5,033	15,043	104,102	21,773,963	1,041	8	1,880	13,013
Average for Boards in Metro	38,109	23,405	61,513	—	—	—	—	4,741	27,040

SOURCES: Metropolitan Toronto School Board; *Facts About the Public School System of Metropolitan Toronto*, (Toronto 1976); and supplementary data from the Metropolitan Toronto School Board and the Ministry of Revenue.

When this recommendation is implemented, arrangements will have to be made for allocating locally raised revenues among the area boards. The details and phasing of this change cannot be established at this time, since the equity position of the area boards will depend on their financial situation as a result of boundary changes, reassessment, new development, and enrolment trends. It might be desirable in the early years to retain the Metro-wide mill rate for education and permit the Metro Board to allocate its proceeds among the area boards on the basis of revised budget formulas. In the longer term, however, the Commission believes that most local education revenues should be raised by the area boards through a levy on their own ratepayers. This could be achieved by what would be in effect a gradual expansion of the discretionary local levy and a corresponding reduction in the Metro levy. If it is considered necessary to reduce the disparities in mill rates among the boards, some part of the Metro-wide mill rate could be retained and its proceeds allocated according to the provincial grant formulas. The total amount to be allocated in this fashion could be determined by the committee of chairmen of the area boards of education or by Metro Council following consultation with the committee of chairmen.

Recommendation 17.4: Following the establishment of a system of direct provincial grants to the area boards, the area boards gradually assume responsibility for raising the local revenues necessary for educational purposes and the Metro educational levy be reduced accordingly.

The final step in the process is the transfer of responsibility for capital financing to the area boards. This should only be attempted when Scarborough has substantially completed the construction of its school system and the capital requirements of the Metro system have stabilized. At that time, the Metropolitan School Board could be replaced by a committee of board chairmen supported by an advisory council of directors of education and such other central staff as the area boards deem necessary.

Recommendation 17.5: When Metro's capital requirements for education have stabilized, the responsibility for deciding on capital expenditures and for servicing debt be transferred to the area boards, and the Metropolitan Toronto School Board be replaced by a committee of board chairmen responsible for continuing cooperation and coordination among the area boards.

While the above recommendations do not offer the prospect of immediate relief from the acknowledged inadequacies of the two-tier structure for education, they represent a rational program for the elimination of those inadequacies over the longer term without perpetrating major inequities or disruptions in educational service. Because it has taken this approach, the Commission does not find it necessary to recommend any changes in the composition of the Metro Board ex-

cept those needed to accommodate the proposed changes in the electoral system and in boundaries. These are outlined in general in chapter 5 and chapter 9, and their application to the educational system is discussed below.

Number and Size of the Area Boards

If the Metropolitan Toronto School Board is gradually abolished, the area boards of education should be made as effective as possible. The Lowes Commission noted the wide variations in size that now exist among the area boards in Metro (Table 17.5) and it concluded that neither the smaller nor the larger boards are of optimum size. The small boards experience difficulty in providing certain specialized services for their students, while the large boards necessitate large constituencies and heavy responsibilities for trustees, reducing their availability to parents and students.

The Lowes Commission presented a number of options, including both a reduction and an increase in the number of boards, but it concluded that the retention of six boards with some adjustment in their size and boundaries was the best solution. That commission did not make a firm recommendation concerning the boundaries of the area boards, but it suggested that an enrolment of 40,000 to 60,000 students is the best size for area boards in Metropolitan Toronto. Accordingly, it recommended that the educational boundaries of the boroughs of East York and York be expanded and those of Toronto and North York be reduced. Future reviews of the boundaries of the Scarborough Board of Education at five-year intervals were also recommended. The model considered most feasible by the Lowes Commission would still have left a range of board sizes of from 37,000 to 87,000 students.

This Commission agrees with the general conclusions of the Lowes Commission on this matter. Table 17.6 sets out the estimated effect on enrolments of the boundary changes proposed in chapter 9. It shows that a significant reduction of the disparity in school populations among the boroughs would be achieved. The Commission is not recommending a major reduction in the size of the City of Toronto Board of Education. The challenges of providing effective education in the central city, with its large immigrant population and variety of income groups, can best be met by a strong single board of education that can bring together the financial and human resources of the City of Toronto as a whole.

Since the proposed boundaries are aligned along naturally divisive physical features and arterial roads, the number of school attendance areas disrupted by them is relatively few. The Commission expects that the proposed boundaries will be studied in detail by the boards of education and that any continuing anomalies can be resolved by negotiation, as is now done when natural attendance areas and municipal boundaries are not compatible. The Metropolitan Toronto School Board is responsible for making the final decision concerning school attendance area boundaries and can play a valuable role in this field in a time of major change.

Table 17.6 Impact of Boundary Recommendations on Combined Elementary and Secondary Enrolments, 1976

Municipality	Present	Proposed	Estimated Gain (Loss)	
			Students	Per cent
Toronto	95,314	92,706	(2,608)	(3)
North York	96,353	79,470	(16,883)	(17)
Scarborough	86,658	73,055	(13,603)	(16)
Etobicoke	53,459	53,459	—	—
York	22,253	31,164	8,911	40
East York	15,043	38,448	23,405	156

The Electoral System for Education

The Lowes Commission found the disparity in representation on the various boards of education in Metropolitan Toronto to be unacceptably large (Table 17.5). It also suggested that wards of 65,000 people, as are found in some municipalities, are too large to provide effective interaction between trustees and their constituents. These difficulties are compounded by confusion in the three area municipalities that have two-trustee wards. In chapter 5 this Commission recommends that two-trustee wards be eliminated, a proposal also made by the Lowes Commission. Also in that chapter, a new electoral system is proposed, based on an average ward population of 26,200 throughout Metropolitan Toronto. The implementation of that recommendation will necessitate a complete revision of the ward boundaries in Metropolitan Toronto. If the needs of the education system are given due consideration in this process, there is no reason why the same wards should not continue to be used for both trustees and councillors. This is obviously preferable. In this regard, the Commission has been impressed with the concept of the family of schools as a basis for establishing ward boundaries. A family of schools is made up of the area served by the elementary and intermediate schools that feed into one secondary school. Such groupings are quite easily identifiable in the more recently developed parts of Metro; the older and more densely developed central municipalities have more complex patterns of school distribution.

The Commission believes that a family of schools, where it exists, forms an excellent basis for drawing ward boundaries. Communities are better defined by their centres than by their peripheries, and schools are most certainly major centres of community life. People tend to define their part of the urban area in terms of its school facilities. Where it is impossible to use a family of schools as the basis for ward boundaries, a natural community should be selected (Recommendation 5.21).

The Lowes Commission suggested that an optimum size for an area board of education is ten to twenty members. The combined effect of this Commission's recommendations concerning boundaries and the electoral system is that all of the area boards except the City of Toronto's would be within this range. The Toronto Board of Education would have twenty-seven members, a prospect that should not be found disquieting. It is already the largest in Metro and yet appears able to handle its political and administrative responsibilities effectively. The elimination of two-trustee wards in the City (and elsewhere) will reduce the area and the number of constituents represented by each trustee and substantially clarify the system.

In chapter 5, a number of other questions such as the term of office, remuneration of trustees, and public subsidies of campaign costs and systems of disclosure for campaign contributions were discussed. The Commission's general view is that boards of education should have the same powers and responsibilities in these matters as municipal councils. Accordingly, in that chapter the Commission recommends a three-year term of office and proposes that the boards of education be given authority to decide their own remuneration and to implement provisions for public subsidies and disclosure of campaign contributions.

Financing Education

The system of provincial grants and Metro's financial formulas are intricate and sophisticated. They are a lifetime study for some, and the Commission did not delve into them in detail. It is necessary, however, to comment briefly on several issues that have come to light.

Provincial Weighting Factors

The Lowes Report notes a number of apparent anomalies in the present system of weighting factors applied by the provincial government in determining Metro's eligibility for legislative grants. In addition, several briefs to this Commission suggested that the weighting factors do not take sufficient account of the problems of large school systems which will probably continue to have a large population of immigrant children. These difficulties may be compounded in the future by the financial effects of declining enrolments and the possibility that school replacement costs may rise rapidly in areas such as the outer boroughs where many school buildings are roughly the same age. In the event that the Commission's recommendation for the eventual abolition of the Metropolitan Toronto School Board is implemented, it will, of course, be necessary to examine these weighting factors in detail as they relate to the present and foreseeable needs of Metro's boards of education.

Health Costs Related to Special Education

The Lowes Commission noted that the boards of education in Metro are bearing the cost of such personnel as the speech and occupational therapists and the health care assistants who are needed in connection with special education programs. This Commission recognizes the problem, but unlike the Lowes Commission it does not think that these costs should be met by the provincial Ministry of Health. The specialists in question assist in the provision of a local service, and a number of related services are provided by local public health units in schools. Integration and coordination would be fostered if the health-related costs of school board programs were paid from the local public health budget. This would help the public health system develop a more positive role in protecting and improving the health of school children and the population at large. Implementation of the Commission's recommendation that public health in Metro receive an improved level of provincial funding will provide the financial flexibility to permit implementation of this recommendation without undue stress.

Recommendation 17.6: Health-related costs and services of the school system, including those for special education, be paid from municipal public health budgets.

Financing Capital Spending from Current Revenue

If an area board of education is unable to obtain the Metro Board's approval for a capital improvement it may raise the money locally through a discretionary levy or abandon the expenditure. There is now a ceiling on the mill rate that may be charged by an area board for this purpose (2 mills for elementary facilities and 2 mills for secondary).

The acquisition of capital assets from current revenues is often desirable when the cost of borrowing is high. There may also be urgent local priorities that an area board is unable to convince the Metro Board to support. The elimination of the ceiling on this levy may allow savings in the long run and it will certainly prepare the area boards for the assumption of the fuller responsibility for capital expenditure and financial management proposed in this chapter.

Recommendation 17.7: The ceiling on the mill rate that may be charged by an area board to finance capital expenditures from current revenue be removed.

Power to Issue Debentures

Since 1969 the Metropolitan Toronto School Board has been the only board in the province whose debentures are issued by a municipality and not by the board

itself. It was suggested by the Lowes Commission that the Metropolitan Toronto School Board be given the power to issue its own debentures. While at present all of Metro's educational debentures are purchased by the Ontario Educational Capital Aid Corporation, it is possible and may in the future be desirable for Metro to return to the open market with its educational debentures.

Since the Commission is recommending the phasing out of the Metro Board, the implementation of this proposal would be unwise. Even if the Metro Board were to continue, little, if any, advantage would be gained from such a step. It would require the development of specialized skills in the administration of debentures that would duplicate the competent staff employed by the Municipality of Metropolitan Toronto. In the Commission's view, it is clearly preferable to have all debt supported by the same tax base issued and administered by one public body. Similarly, the Ontario Municipal Board should continue to approve Metro's educational debentures, subject to the recommendations in chapter 10, even though the Ministry of Education approves them also.

Power to Issue Tax Bills

Recent legislative amendments make it possible for municipalities to send out separate property tax bills rather than the combined bill for area municipal, Metropolitan and educational taxes that is now sent. Such a change would be pointless in Metro as long as the Metro-wide mill rate is in effect. The Commission thinks it would be undesirable even when all local revenues are raised by the area boards. The Blair Commission recommended that the legislation permitting a separate tax bill be rescinded, and this Commission is aware of the potential costs and confusion that would result if separate billings were to become the practice in Metropolitan Toronto. For example, sending a separate tax bill to each of Metro's 750,000 households twice a year could cost \$180,000 for postage alone, not to mention the additional data processing, printing, paper, and labour costs. Since most municipalities clearly identify educational costs on the tax bills they send out now, it is doubtful that any actual increase in accountability of trustees to the electorate would result from the distribution of separate tax bills.

Recommendation 17.8: The collection of education taxes in Metropolitan Toronto continue to be the responsibility of the area municipalities.

Notes

1. *Report of the Ministerial Commission on the Organization and Financing of the Elementary and Secondary School Systems in Metropolitan Toronto* (Lowes Commission) (Toronto: Ministry of Education, 1974), p. 21.
2. Lowes Commission Report.

During the past two decades the role of government has probably changed more in the field of health services than in any other. That period has seen the introduction of universal hospital and medical insurance plans, and an increase in public expenditures in the health field that has outstripped even that in education. Twenty years ago health services accounted for 5 per cent of government expenditure at the federal, provincial, and local levels in Canada. It now accounts for about 13 per cent.¹

The major part of the increase in expenditures has occurred as a result of a fundamental change in the scope of federal and provincial health programs. The general field known as "public health" is the responsibility of the local governments. The field has changed gradually rather than radically in the past, but there are indications that public health and what that term implies are altering rapidly. Strong pressures have been building for some time to expand the traditional scope of municipal public health services to include a number of programs generally if loosely described by the term "community health services." To the extent that such trends can be foreseen, the Commission has taken the pressures for such changes into account.

There are two facets to the Commission's responsibility regarding the health field. First, an assessment must be made of organizational responsibility for the provision of public health services. Second, it is important to examine what role, if any, the Metro system of government should perform in helping to plan, coordinate, and control the delivery and financing of the broader range of publicly financed health services in the Metro area.

Examples of nearly all the important issues and problems identified by the Commission in its examinations can be found in the field of health. Problems of intergovernmental relationships, special purpose bodies, linkages with other service areas, changing demands and expectations influencing organizational patterns, and the special circumstances of the Metropolitan Toronto area – all these arise in an examination of the health services field.

Public Health

Public health services have traditionally been thought of as those concerned with the prevention and control of communicable diseases, the assurance of a safe water supply, and the maintenance of satisfactory standards of sanitation in everything from the public handling of food to the private disposal of refuse. With access to medical care so greatly facilitated by universal health insurance, and with the virtual elimination of most of the infectious diseases that were the scourges of previous generations, a debate has quite properly arisen about the future direction and role of public health services. Long since recognized as "preventive" rather than "curative" branches of the health system, public health agencies today are increasingly aware of health problems in the community which are the result of

social conditions and changing attitudes. Health problems occasioned by stress, misuse of alcohol and other drugs, poor nutrition, changing sexual patterns, environmental hazards, and an aging population are some examples most frequently mentioned. It is argued by many that public health services should be given a clear extension of their mandate to attack the causes of these problems at their very roots in the community. Another group suggests that the most pressing need is to supplement the other health services, to make up for the still less than equal access and utilization of the traditional health care system.

Public health programs within Metro accounted for about 5 per cent of all local expenditure in 1974. They are administered by local health departments in each of the area municipalities. Among the major public health programs are: maternal and child health, health services in the schools, family planning, dental programs, sanitary inspection of food-handling establishments, inoculation, vaccination and epidemiological services, and nutrition and other health counselling.

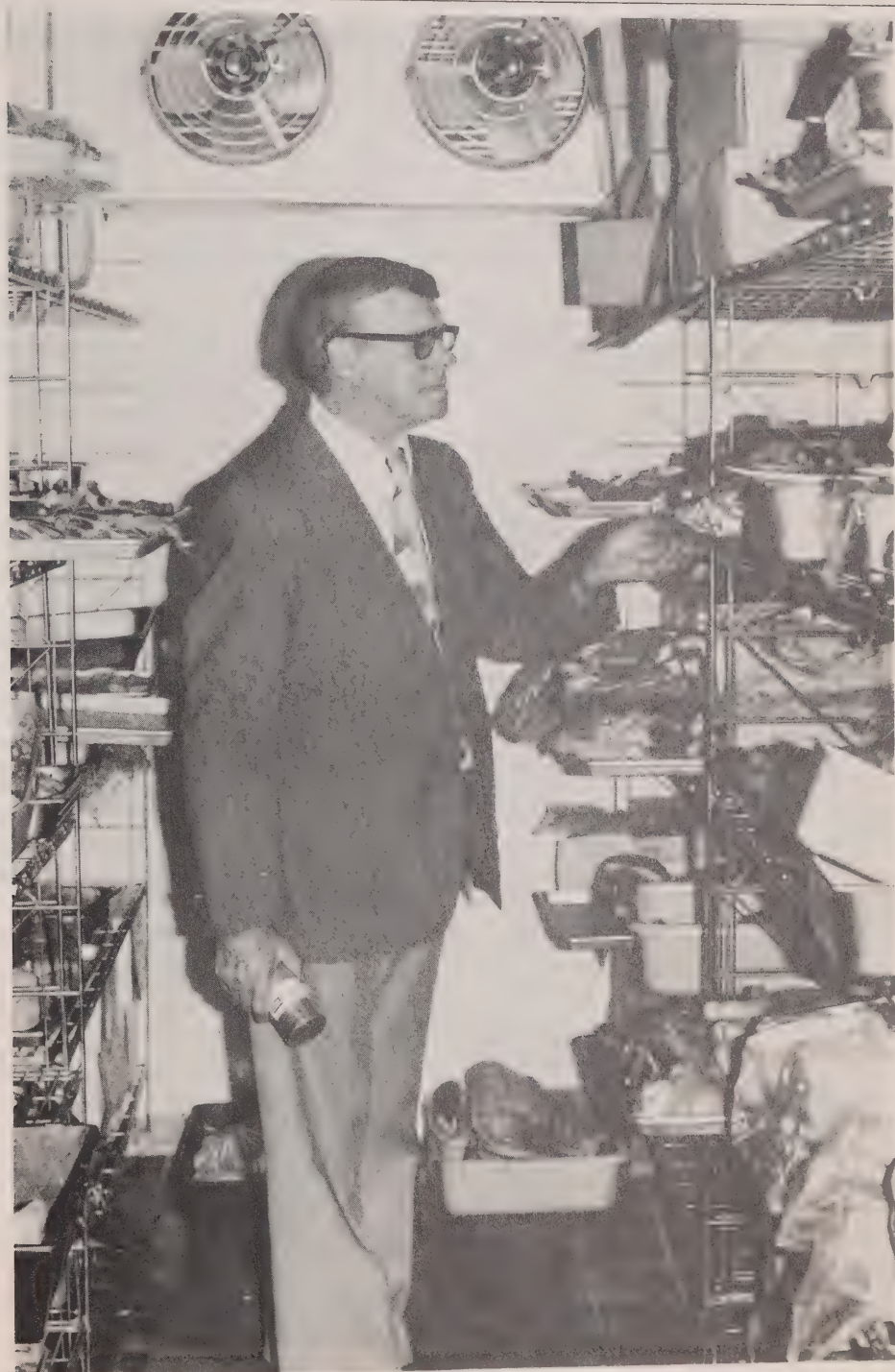
Although the most important statute defining the public health function is The Public Health Act, local public health departments also derive authority from such other provincial statutes as The Ambulance Act, The Bread Sales Act, The Day Nurseries Act, The Dentistry Act, The Environmental Protection Act, The Pesticides Act, and The Venereal Disease Act, to name a few.²

The Public Health Act assigns the responsibility for carrying out the public health function not to municipal councils but to local boards of health. Municipalities are required to establish boards of health composed of a combination of ratepayers and councillors appointed by the local council. The mayor of the municipality is ex-officio a member of the board of health; all other appointments are made for a one-year term, although they may be and often are renewed. An exception exists in the Borough of East York where the local board of health is nominally designated a health unit because prior to their amalgamation in 1967, Leaside and East York had joined together for public health purposes.* In this case the province exercises its right under The Public Health Act to make an appointment to the East York health unit. The province also reserves the right to approve the appointment by all boards of health of their chief executive officers, the medical officers of health. Once appointed by councils, boards of health are legally and financially independent of them.

Municipal Organization for Public Health

Since the early 1950s the provincial Ministry of Health has encouraged local health boards to join together in order to combine their resources and achieve certain economies of scale in the delivery of public health services. A financial inducement

* The amalgamation of the Township of East York and the Town of Leaside for public health purposes took place in 1947, prior to the creation of Metropolitan government.



was provided by making the resulting larger county units eligible for provincial subsidization of half the cost of programs.

In 1967 the province concluded that even these boards were too small to be fully efficient and began to establish district health units, each of which consists of several counties. To encourage the adoption of these district health units, the province undertook to subsidize 75 per cent of their expenditures. County health units that did not amalgamate with others continued to receive 50 per cent provincial subsidization, while local health boards received 25 per cent provincial grants.

In 1969 the province modified the grant program to make it applicable only to "approved" (generally prevention-oriented) public health programs, as opposed to total expenditures of the board or unit. As a result, those non-approved (usually treatment-oriented) public health programs offered by local boards of health (such as the treatment portion of dental programs) are now funded entirely by the municipalities concerned.

Today the six area municipal boards of health in Metropolitan Toronto are the last remaining local health units in the province. Outside of Metro, public health is administered at the district or regional level (thirty-one health units) and to a lesser extent at the county level (six health units). It is the policy of the provincial government that the six area municipal health departments in Metro should be amalgamated, and that higher levels of grant support be withheld until such time as they do. Since 1969 there have been several attempts to devise a two-tiered organization for public health in Metro which would qualify for the 75 per cent provincial grant structure. None of these alternatives has had the unanimous support of the area municipalities, their local boards of health, Metro Council, and the Ministry of Health.

Table 18.1 illustrates public health expenditures in Metropolitan Toronto for 1975. It shows that there is considerable variation in the extent to which each area municipality engages in public health programs which it must finance completely from local resources. In addition to cost-shared expenditures which are subsidized to the extent of 25 per cent by the province, the province pays the full cost of those programs which boards of health undertake on its behalf and provides varying levels of financial support for other public health programs.

Provincial policy regarding the organization of public health treats Metropolitan Toronto in the same way as any other municipality in Ontario. This approach does not take into account Metro's unique situation and needs. A simple comparison between the populations served by district health units elsewhere in the province and the populations of Metro's area municipalities illustrates the point.

Table 18.2 shows the population served under each of the health units in the province. The present populations served by Metro's four largest boards of health are in the same range as the populations of the largest district health units, and

Table 18.1: Public Health Expenditure in Metropolitan Toronto, 1975

Municipality	Gross expenditure	Cost-shared expenditure (25% subsidization)		Other cost-shared expenditure		Non-cost-shared expenditure	
	\$	\$	% of gross	\$	% of gross	\$	% of gross
City of Toronto*	8,564,145	8,479,060	99.01	10,052	.11	75,033	88
Borough of North York*	3,659,273	2,855,564	78.04	56,361	1.54	747,348	20.42
Borough of Scarborough	2,296,597	2,021,255	88.01	120,192	5.23	155,150	6.76
Borough of Etobicoke	1,946,568	1,855,717	95.33	28,101	1.44	62,750	3.23
Borough of York	1,257,438	918,130	73.02	174,543	13.88	164,765	13.10
Borough of East York	587,123	566,053	96.41	278	.05	20,792	3.54

* Unaudited figures.

SOURCE: Ministry of Health, Audit Services Branch

greater than those of most. The populations of Metro's two smallest boroughs, York and East York, are even now greater than many of the district health units, and if the Commission's boundary recommendations are accepted, the populations of these boroughs will surpass those in most district and all county health units in the province.

The province's efforts to bring service districts for public health up to a certain size stem from a realistic desire for the economies of scale and for improvement in levels of service that can be achieved in the public health field when certain minimum populations are served. Metro's area municipalities clearly meet these minimum conditions. To create a single district health unit to serve more than two million people would be to establish a service area for what is intended to be a local function on a scale completely dissimilar to that prevailing in the rest of Ontario. It is by no means certain that any further economies of scale would occur from combining the current units, or that any improvements in service would be achieved.

There are other compelling reasons for public health to remain a lower-tier responsibility. Metro's municipal health departments currently provide a high level of service which compares favourably to any other public health jurisdiction in the province. While amply meeting provincial minimum standards, the six health departments operate their own distinctive programs to meet the particular needs of their local communities. The Commission is convinced that this differentiation at the local level is appropriate and desirable. Metro is a diverse community, and public health priorities vary from one municipality to another. The retention of public health at the area municipal level strengthens the capacity of local government to be responsive to these diverse needs. This arrangement also has the advantage of encouraging cooperation between the local health people and their counterparts in the local school and recreation systems.

**Table 18.2: Public Health Units in Ontario:
Population per Unit***

Boards of health (25% subsidization)	Population
City of Toronto	685,333
Borough of North York	556,004
Borough of Scarborough	372,278
Borough of Etobicoke	293,753
Borough of York	140,188
Borough of East York	104,677
County health units (50% subsidization)	Population
Lambton	114,166
Kent-Chatham	103,229
Peterborough County-City	96,403
Elgin-St. Thomas	68,232
Huron County	54,671
Bruce County	52,313
District health units (75% subsidization)	Population
Ottawa-Carleton Regional	506,592
Hamilton-Wentworth	408,466
Niagara Regional	358,663
Peel Regional	354,317
Windsor-Essex County	310,342
Middlesex-London	304,824
Waterloo Regional	286,281
Durham Regional	234,465
Halton Regional	221,261
Simcoe County	202,907
Sudbury & District	199,746
York Regional	195,141
Wellington, Dufferin & Guelph	150,167
Eastern Ontario	144,184
Kingston, Frontenac, Lennox & Addington	140,410
Thunder Bay	136,634
Hastings, Prince Edward Counties	124,064
Leeds, Grenville, Lanark	119,807
Haliburton-Kawartha Pine Ridge	112,716
Algoma	99,162
Brant County	92,940
Porcupine	89,559
Renfrew County & District	88,650
Haldimand-Norfolk Regional	85,840
Oxford County	83,303
North Bay & District	78,876
Grey-Owen Sound	69,182
Perth District	64,984
Northwestern Kenora	56,657
Muskoka-Parry Sound	50,665
Timiskaming	41,499

* 1975 Assessed Population Figures

SOURCE: Ministry of Health

Recommendation 18.1: Public health remain a responsibility of the area municipal level in Metropolitan Toronto.

Although some public health problems are greater in one municipality than in a neighbouring area, other problems traverse political boundaries and require coordinated policy and program responses. The prevention and control of communicable diseases is a good example. The six Metro medical officers of health currently meet monthly to discuss problems of mutual concern, and in 1975 the Association of Boards of Health of Metropolitan Toronto was formed to provide a forum for the discussion of mutual public health concerns.

The Commission anticipates that in the near future the scope of the public health function will widen considerably. Two studies currently are being conducted, one by the City and the other by the province, with a view to defining the most useful role for the public health function in a contemporary and increasingly complex society. If the role is to be broadened to include a greater responsibility for dealing with industrial and occupational health, environmental health hazards, and reducing drug abuse, alcoholism, and stress-related diseases, detailed and accurate information about health and social conditions will be essential. In the context of these trends, the Commission finds a need to formalize the current, rather ad hoc, intermunicipal liaison that exists in public health. It has been suggested that an intermunicipal organization or secretariat be established to assist the area municipal health departments in providing services that they cannot provide alone. In the Commission's judgment, this kind of organizational arrangement is fraught with difficulty, primarily because the resulting coordinating body would lack real authority since it would have no official mandate to commit the constituent bodies to cooperative and coordinated action.

The primary reason for the creation of Metropolitan government more than twenty years ago was to provide the Toronto area with a strong and politically accountable governmental framework that would allow the local municipalities to act together in those matters in which they could not continue effectively to act alone. This motive is as valid and compelling today as it was then. Therefore, to complement the proposals for greater political responsibility for public health made below, the Commission recommends that the Metropolitan Council be given a limited, coordinating role in the public health area, with the capacity to provide such statistical and other analytical services as may be deemed necessary by the area municipal level. In order to avoid duplication or conflict, the Metro level should be prohibited from undertaking a direct, operational role in the public health field.

Recommendation 18.2: The Metro Council be given a limited, coordinating and non-operational role in public health, and be authorized to provide central statistical or other analytical services at the request of the area municipal level.

The Commission cannot find any good reason to justify the differential in provincial subsidization of public health programs between Metro and the rest of the province. The public health requirements in Metro are no less urgent than anywhere else in Ontario. In fact, one could argue that health hazards from imported diseases, drugs, stress, and environmental pollutants may be even greater in Metro than elsewhere. Furthermore, Metro's per household assessment base is not sufficiently greater than that of other regions of the province to justify the substantial disparity in provincial subsidization of public health services that now prevails. In any case, grants for public health are not intended to achieve equalization, nor should they be. If the provincial interest in establishing province-wide minimum standards of public health services is valid enough to warrant 75 per cent subsidization of certain programs, then it is as valid for Metro residents as for those of every other community in Ontario. The current level of provincial subsidization in Metro is clearly inequitable.

Recommendation: 18.3: Public health expenditures in Metro be eligible for provincial grant support at a rate equivalent to that given to district health units.

Political Responsibility for Public Health

Although the first Public Health Act of 1873 in Ontario charged each municipal council with scrutinizing public health on a continuous basis, legislation requiring independent and separate boards of health followed shortly thereafter in 1884. This organizational arrangement was designed to ensure that the public health function was provided with both the necessary funds and adequate attention by specialists. Since then, public health needs, the public health function, and local government in general have changed considerably. Part-time local health departments have evolved into full-time operations, with full-time professional staff and wide-ranging programs. Although local government has become increasingly concerned with other human services, local health departments continue to report not to the council but to independent boards of health.

Nothing in either The Municipal Act or The Public Health Act requires a board of health to submit its estimates for approval to either the executive body of council, or council as a whole. On the contrary, section 20(1) of The Public Health Act stipulates that the treasurer of a municipality must pay on demand any account for services performed under the direction of the board of health or any expenditures incurred by it or the medical officer of health or public health inspector in carrying out their responsibilities under the Act. Neither the council as a whole nor the executive body has the authority to vary the estimates of a board of health or to direct the municipal treasurer not to pay funds required by it.

Boards of health as presently constituted, therefore, are accountable directly neither to the council nor to the electorate. In fact, although the public health function has important ties with the education system, the social services function, and other municipal responsibilities, boards of health are responsible more directly to the provincial Minister of Health than to any part of the local government system.

Proponents of the continuation of separate and independent boards of health hold that because public health programs are largely preventive and less visible than other municipal activities, public health matters will not be given proper priority by local councillors if this function is assumed by elected councils. It is also contended that public health should not be a matter for the political arena because objective evaluation of needs will be clouded by political expediency.

The Commission believes that these ideas are unfounded, and an anachronistic legacy from another era. Local government, like any other level of government in our society, exists to represent the public interest, and must be accountable to the electorate for its particular interpretation of that public interest. If it is appropriate for major aspects of the health care system to be operated directly by the province, then it is equally proper for public health services to be operated directly by the area municipalities of Metropolitan Toronto. The idea that some decisions are "value-free" is also outdated. All public decisions involve value judgments. "Objective" decision-making, if that is taken to mean "non-political," simply does not exist. Any body that makes decisions on behalf of the community is political. If public health is to remain a truly local responsibility – and the Commission is convinced that this should be so in Metro – then the responsibility for public health should be granted to the municipal council, which governs on behalf of the local community.

Under such an arrangement in Metro, it would then be up to the area municipal council to decide how best to run the local public health department. For example, a council concerned with the integration of public health programs with other municipal responsibilities could choose to operate public health directly under a committee of council concerned with several human services. Or a council could choose through its general power of delegation as recommended in chapter 6 to establish a single board of health, much like those in existence now. A council might choose to establish several local boards for public health purposes, in various parts of the community, to promote greater citizen participation in community health matters. These and other options are all unavailable to local councils now.

Recommendation 18.4: The responsibility for public health under The Public Health Act and other provincial statutes be transferred to the area municipal councils of Metropolitan Toronto.

Today all levels of government are involved in some aspect of the provision of health services or their financing. As health costs consume an increasing portion of the total tax dollar, there is a growing and legitimate concern about how to achieve economies in their provision. One response to this concern may well be to effect



Roy Nicholls

more centralization of public health services under greater provincial direction and control.

Whether or not more provincial control would be beneficial for public health services in other parts of the province, the Commission is firmly convinced that this function can best be carried out by the area municipalities in Metropolitan Toronto. In public health, as in so many other areas of public sector activity, the best judgments are local. The ability of municipal governments to provide public services in accordance with the needs of their consumers – the citizens – actually increases the measure of efficient public control over the provision of those services. Thus, municipal government can be demonstrated to be a more effective mechanism for delivering certain public services economically than the local office of a provincial agency created to provide the same services.

There are other important reasons for the retention of public health as a local government responsibility in Metropolitan Toronto. The interdependence of public health with other municipal responsibilities such as education, social services, planning, and recreation is now recognized and the integration of these responsibilities should not be frustrated. The municipalities of Metropolitan Toronto are

mature and sophisticated organizations, with demonstrated competence in providing for the well-being of their communities, and this competence should be utilized.

Health Planning

Various reports commissioned by governments in Canada and elsewhere have addressed two interrelated questions in the health field: What are the factors contributing to the dramatic increases in costs of and demands for health services, and how can the adequacy of current levels of services be assessed, priorities determined, and economies achieved? The answers are not immediately apparent, because the health field is complex. Governments are heavily involved, but so are medical practitioners, medical schools, hospitals, other health institutions, public health professionals, and so on. Nevertheless, the need to rationalize and control the costs of health care is unquestionable.

In Ontario these problems were addressed recently by a Health Planning Task Force, chaired by Dr. J. F. Mustard, whose report in January 1974 argued that there could not be a comprehensive and efficient provincial health care delivery system without the effective coordination and integration of health care services and facilities in the local areas where the services are delivered. This coordination, the report contended, could best be achieved by locally representative bodies who would have responsibility to identify local health needs, prepare a comprehensive health plan for their areas, coordinate all health services, advise the Minister of Health on spending priorities, and suggest how economies might be achieved.

The provincial government accepted this assessment as well as the Task Force's proposal that district health councils be established throughout Ontario to achieve these ends. These councils are to be composed of medical and other health professionals, "consumers," and some governmental representatives chosen from a local area (usually regional municipalities or counties) by the province on the advice of provincially appointed steering committees. While the district health councils are intended initially to advise the Minister of Health and facilitate coordination in the health field through persuasion, there have been suggestions from the Ministry of Health that eventually these bodies could exercise executive responsibility through control over budgets for health manpower, facilities, and services in their areas. At the very least the Minister of Health has said that no hospital, public clinic, public health, or other health budget will be considered for approval by the province without the approval of the relevant district health council.³

While few will deny the need to rationalize and control health spending, there is no agreement as to whether the district health council as presently conceived is the way to achieve these objectives. Part of the debate stems from confusion about the purpose of district health councils. For example, one of the most important factors affecting the escalation of health costs is the continuously increasing rate of

utilization of doctors' services and hospital facilities. This issue is fundamental, and cannot be addressed by a local district health council. Such a matter can be dealt with only by the provincial and federal governments, if at all. Indeed, even in regard to other matters, there is some doubt that such a professionally and institutionally dominated and centrally funded sector as the health system can be "controlled" or even directed by a network of volunteers organized into health councils. Furthermore, as long as health services continue to be funded primarily from the provincial tax base, it can be argued that expenditures on them should be authorized only by the provincial government, and that the possible control of institutional and other health budgets by non-elected health councils diminishes the political accountability of the province for the health system.

The Ministry of Health has recognized the need to relate the design of this process to Metro's future municipal structure, and is awaiting the views of the Commission before proceeding to establish one or several district health councils for Metropolitan Toronto.

The design of any health planning body for Metro must relate clearly to the objectives of such a body. If the intention is to establish a network of strictly advisory bodies throughout the province, with a limited mandate to advise the Minister on their best judgments of local needs and priorities, then the district health councils as presently conceived and constituted are probably adequate. But if the district health councils are to be the "means whereby more decisions in health care matters may be made at the local level,"⁴ if they are intended to be "strong community bodies, setting and implementing local priority decisions,"⁵ then the district health council design, at least as it relates to Metro, is unlikely to fulfill these objectives.

Any person, interest group, or body may try to influence government, which makes decisions and spends public money on behalf of the community. Governments, for their part, seek advice from a wide range of sources before making such decisions. Therefore, the articulation of health needs and priorities is a responsibility shared by everyone and exercised either individually or through a variety of forums such as professional associations, political parties, community groups, and so on.

In a democracy, executive authority – or the right actually to make public decisions and allocate public resources after all this advice and influence is weighed – must be exercised by elected representatives. In this respect, local government is no different from any other level of government. It is not merely a deliverer of services or an administrative arm of the province. Rather it is the democratically constituted forum for determining local public priorities and the local public interest. That is the *raison d'être* of local government; that is its strength.

If the province ultimately wants to decentralize more of its decision-making authority in health matters to the local level, then the recipient of that authority should be local government. Undoubtedly, local councillors will want the benefit of



the extensive professional, technical, and administrative expertise of people experienced in the health field. They will also require the advice of communities, voluntary associations, and so on, for their perceptions of needs and priorities. But if the power to make expenditure decisions is to be decentralized, then the body to which authority is granted must be politically accountable.

The Mustard Report considered but rejected for the time being assigning the authority for health planning and the coordination of operational activities to regional government. It said that although the "proposals we have set forth do not in any way hinder or exclude a future transfer of authority to regional government, . . . to initiate the proposed changes now through regional government which itself is undergoing change would lead to enormous difficulties."⁶ The Task Force argued that the areas covered by regional governments were not necessarily appropriate areas for health care planning, that the various regional governments were at different stages of development, and that the exact role of regional government with respect to planning, delivery of services, nature of accountability, and relationship to provincial ministries was not yet determined. It emphasized that ultimate control over the health system must remain with the province.

However cogent the Task Force's arguments may be regarding other parts of Ontario, they are not pertinent to Metro. Less concerned with the exigencies of physical growth than in the past, the Metropolitan system of government is mature and sophisticated. It has jurisdiction over a stable urban community. Unlike other

regional governments in the province it has almost a quarter-century of experience in two-tier local government, and its "role" with respect to the province is far from uncertain. In the Commission's judgment, the logical body to carry out the province's objectives in the health planning field in Metro is the Metropolitan Council.

There are several reasons for coming to this conclusion. If the Commission's recommendations are accepted, the Metropolitan Council, directly responsible to the electorate, will be charged with developing and implementing a human services policy for the Metropolitan area. The health system is, of course, an important component of what have come to be known as human services. Metro Council currently provides capital grants in support of hospitals and this role would be strengthened considerably if Metro Council were formally designated as the district health council. The Metro Council will also have a coordinating role in public health and may be asked to develop a monitoring capacity by the area municipalities. In chapter 16 the Commission proposes that Metro Council be the funnel for much of the provincial support for the many voluntary social services agencies operating in Metro. As the district health council it could assume a similar responsibility in allocating provincial grants in the health field.

In addition, the general power of delegation (recommended in chapter 6) will enable the Metropolitan Council to designate other bodies – either already existing or of its own creation – to assist it in making decisions about health priorities. These bodies could be modelled after the district health council concept and consist of representatives of the medical community as well as citizens. For example, the Metropolitan Council could delegate the more detailed technical and medical aspects of health planning to a body representing those who work in the health field, while reserving for itself consideration of the broader health issues and needs. Similarly, the Commission anticipates that the Metropolitan Council will require the assistance of those working at the area municipal level, and might delegate to local councils or to local agencies the responsibility for health planning and coordination at the local delivery level, particularly in view of the area municipal role in public health and in financial support for local hospitals. Even with such delegation, however, the Metropolitan Council would bear political responsibility for its performance as the district health council.

Recommendation 18.5: The Metropolitan Council be designated as the District Health Council for Metropolitan Toronto.

Whatever arrangements may be most appropriate to coordinate health care services and integrate health planning elsewhere in the province, the Metropolitan system of local government offers the province – and ultimately the public – a ready-made, publicly accountable, and highly flexible vehicle to achieve provincial health objectives in this community. The Commission is confident that if its recommendations are accepted, the province, Metro, and the area municipalities, in

consultation with all the various health interests, will be able to ensure that a successful health care delivery system, with a sensitive planning role and a strong public health component, can be developed in the interests of this Metropolitan community.

Notes

1. Statistics Canada, *Consolidated Government Finance* (1954 and 1973), Cat. No. 68-202.
2. See *Social Policy in Metropolitan Toronto*, pp. 97-98, for a more complete list of statutes relating to public health.
3. Remarks by the Hon. Frank S. Miller, Minister of Health, to the mid-term meeting of the Association of Counties and Regions of Ontario, Mississauga, 3 April 1974.
4. "The District Health Council, Action Centre in Ontario's Health Care Delivery," Ministry of Health (Ontario, 1975), p. 93.
5. W. A. Backley, Assistant Deputy Minister of Health, "District Health Councils and Municipal Governments," The Action Centre Conference on District Health Councils, *Report*, Ministry of Health (Ontario, 1975), p. 51.
6. Report of the Health Planning Task Force (Ontario: 1974), p. 31.

Social Services

Social services are intended to help individuals or families maintain or regain social and economic self-sufficiency in times of adversity. While the provision of welfare payments is the largest and best-known element of the social services system, the scope of these services goes far beyond this function, and includes a wide range of public pension and old-age payments, subsidies for particular needs such as transit, job creation and job training, and a host of other direct services. Many social services are provided by governments, others by voluntary agencies such as the Big Brothers and Community Care Services. Such services play a vital role in any community; they provide a link between individual citizens and the community which allows them to play a full role in society.

The Present Social Services System

The social services system that now exists reflects its history. It has its roots in the time when society expected all individuals to take care of themselves, with occasional assistance from charity. Industrialization, depression, and war modified these expectations, and resulted in a growing range of publicly provided social services. While the provision of such services has become an accepted function of government, there has never been a consensus about the most appropriate overall mixture of public and private responsibility for individual well-being. The result can hardly be called a social services system; it is rather a collection of programs aimed at a variety of wants and needs.

Social services in Canada have expanded dramatically in magnitude, scope, and cost since the Second World War. As Figure 19.1 shows, all levels of government have a significant involvement in the provision of social services. The expenditures of the Municipality of Metropolitan Toronto on such services doubled between 1968 and 1974, and rose from 10 per cent of the Metro budget in 1968 to 14 per cent in 1974, the period for which the Commission had consolidated financial information.

Expenditures of the Metro system on social services result in large measure from factors beyond its control. The need for assistance is generated by economic and social developments in the broader Canadian (and indeed international) society; local government can do little to influence these developments. Because of the plethora of statutes, shared-cost programs, and regulations established by the federal and provincial governments, municipalities have limited flexibility in controlling the orientation or the costs of the social services they deliver.

The Federal Role

There are three main elements of the federal role in social services: cost-sharing programs with provincial governments and their agencies, transfer payments to individuals, and direct services.

The main federal-provincial cost-sharing plans are the Canada Assistance Plan and the Vocational Rehabilitation for Disabled Persons program. Under these two programs, the federal government pays 50 per cent of the costs of provincial contributions to most programs for persons in need, child welfare services, and a comprehensive range of rehabilitative services for the physically, mentally, and emotionally handicapped.* These two programs provide a significant degree of support for both provincially and locally delivered social services, although there are frequent complaints about the degree of detailed federal control they entail. The programs have been under review recently and are expected to be replaced at some future date by two new measures – a Social Services Act and an Income Security Act.

Most federal transfer payments made directly to individuals are universally available to any Canadians who satisfy certain general criteria. They include Old Age Security payments and the Guaranteed Income Supplement for senior citizens, Family Allowance payments, and Canada and Quebec Pension Plan payments. With one exception – Unemployment Insurance payments – these programs do not involve ancillary or support services; they are the kind of centrally administered programs common in most developed nations.

The social services that are administered directly by the federal government are provided only to individuals for whom the federal government has a direct responsibility, such as native people and veterans. Important exceptions are the federal job creation programs, such as the former Local Initiatives and Opportunities for Youth programs, and the present Canada Works program. These programs are intended to provide short-term jobs in times of high unemployment.

The Provincial Role

The Ontario government finances and regulates many of the social services provided at the local level, administers some services directly, and makes a variety of transfer payments to individuals.

The main device for funding and regulating local social services is The General Welfare Assistance Act, under which federal and provincial funds are used to finance 80 per cent of the costs of most municipal short-term income assistance payments. Support is also provided under this legislation for special assistance and supplementary aid, like the provision of eyeglasses, dental care or prosthetic devices, the provision of transportation allowances, or financial assistance to carry out needed home repairs. A wide range of other provincial programs support part of the municipal costs of providing such services as day care, homemakers and

* A new tax-sharing arrangement that gives the provinces a larger share of income tax revenues has recently been announced. This arrangement will replace existing cost-sharing arrangements with respect to the provision of such services as extended and residential care for adults.

Figure 19.1: The Social Services System

Federal Government	Provincial Government	Metro
<p>Transfer payments to individuals</p> <ul style="list-style-type: none"> • Canada Pension Plan • Old Age Security • Guaranteed Income Supplement • Family and Youth Allowances • Unemployment Insurance • Settlement allowances for newly arrived immigrants or refugees 	<p>Transfer payments to individuals</p> <ul style="list-style-type: none"> • Guaranteed Annual Income Supplement (GAINS) (for the blind, the disabled and persons 65 years of age or older in financial need) • Ontario tax credits based on income • Workmens' compensation • Legal aid • Compensation to victims of crimes • Training allowances under The Vocational Rehabilitation Services Act • Family benefits (long-term income assistance) 	<p>Transfer payments to individuals</p> <ul style="list-style-type: none"> • General Welfare Assistance (short-term income assistance)
<p>Transfer payments to provincial governments and other recognized agencies to support:</p> <ul style="list-style-type: none"> • Prescribed services for persons in need and children requiring public protection or care. • Juvenile corrections • Rehabilitation programs for mentally, physically, or emotionally handicapped persons to develop, restore or improve their working capacity 	<p>Transfer payments to municipalities and other recognized agencies to support:</p> <ul style="list-style-type: none"> • All services for persons in need and child welfare covered by federal-provincial cost-sharing agreements 	<p>Transfer payments to other agencies to support:</p> <ul style="list-style-type: none"> • Child welfare expenditures of children's aid societies • Social services provided by voluntary agencies
<p>Direct services</p> <ul style="list-style-type: none"> • Job counselling and assistance in finding employment • Job creation • Orientation and reception services for immigrants • Special assistance to veterans • Programs to assist native people 	<p>Direct services</p> <ul style="list-style-type: none"> • Correctional services for adult offenders sentenced to terms of less than two years, juveniles admitted to training schools, and adults and juveniles on probation • Rehabilitation programs for mentally, physically or emotionally handicapped persons to develop, restore or improve their working capacity • Job creation • Reception and information services for new immigrants and special immigrant integration programs • Special services for native people • General counselling, referral and information services for recipients of family benefits • Family Court services • Assisted family housing and assisted housing for senior citizens. 	<p>Direct services</p> <ul style="list-style-type: none"> • Services provided under The General Welfare Assistance Act • Day care • Senior citizens' housing • Old age homes • Elderly persons' centres • Homemakers and nurses services • Temporary housing • Rehabilitation for wholly or partially employable persons • Reduced transit fares for the elderly

Transfer payments to support:

- Social services provided by local voluntary agencies

Direct services	Direct services	Direct service
<ul style="list-style-type: none">• Protection and care of neglected children• Protection of children born out of wedlock• Adoption	<ul style="list-style-type: none">• Services which emanate from the public health and education systems• Non-profit housing for low- and moderate-income people (City of Toronto only)	<ul style="list-style-type: none">• Family counselling• Youth work• Neighbourhood and community development• Information centres• Immigrant orientation and settlement• Services to the elderly• Rehabilitation of offenders• Day care• Mental health services• Vocational/occupational programs• Personal care services and friendly visiting• Native people services• Distress centres• Residential facilities; short-term• Visiting homemakers• Meals on wheels• Many other services

nursing services and homes for the aged. The province also supports the activities of Metro's two children's aid societies, and requires the Municipality of Metropolitan Toronto to pay part of their operating costs.

The direct social services programs of the provincial government are extensive. They include the family benefits program, which provides long-term financial assistance to those in need, vocational rehabilitation, workmen's compensation, legal aid, programs of assistance to immigrants, and a range of assistance for correctional services. Further provincial programs that transfer funds directly to individuals include the Guaranteed Annual Income System (GAINS), which provides income support to the elderly, blind, and disabled and the Ontario Tax Credit program, which helps offset the impact of property and sales taxes on elderly and low-income people.

The Local Role

Since the responsibility for municipal welfare administration was transferred from the area municipalities to the Municipality of Metropolitan Toronto in 1967, Metro's Department of Social Services has administered all forms of municipal assistance under The General Welfare Assistance Act. In addition, it finances a system of reduced transit fares for senior citizens, operates a volunteer unit, provides support for counselling, transportation, and other services for its clients, operates many day care facilities and subsidizes others. The department also operates a number of homes for the aged, hostels and emergency shelters, and administers a rent supplement program.

Metro provides the municipal portion of the public support given to the Children's Aid Society of Metropolitan Toronto and the Catholic Children's Aid Society of Metropolitan Toronto. For the purposes of provincial funding, the child welfare activities of Jewish Child and Family Services are included in the budget of the Children's Aid Society of Metropolitan Toronto. Both Metro's children's aid societies (established under The Corporations Act and governed by The Child Welfare Act) have a board of directors and an executive committee that must include at least four representatives of Metro Council. The central objective of children's aid societies – the protection of children – is pursued through counselling services, assumption of responsibility for children who require protection and care, and arranging for foster and adoptive homes. Metro is responsible for about 20 per cent of the public funding provided to each society, with the provincial and federal governments providing the remainder. In April 1977 the province announced a major reorganization of services provided to children. At the time of writing this report it is not yet clear to what extent, if any, that reorganization will affect municipal responsibilities and organization in this field.

The Area Municipality Role

The area municipalities do not have any direct role in the provision of social services, although they do make grants to local voluntary social service agencies. In addition, local initiatives such as community health programs, neighbourhood improvement projects, and multi-service centres may involve the social service agencies of Metro and the provincial and federal governments.

The Role of the Voluntary Sector

There is a vast array of social services in Metro provided by voluntary agencies, churches, labour unions, ethnic organizations, service clubs, and neighbourhood associations. The United Way alone has sixty-eight member agencies and gives funds to an additional thirty non-member agencies.

The organization, financial arrangements, geographic scope, and service activities of these agencies are of almost infinite variety. Some agencies are run by their members or workers, others by boards of community leaders, and still others by private corporations. Some depend heavily on the public sector for funding, while others rely entirely on private donations. Some provide a single service for the entire Metro area, others a range of services for a single neighbourhood or ethnic group. Some provide sophisticated professional services, others simply offer human contact for people in distress. All these agencies represent a significant commitment of time, energy, and money on the part of thousands of people who feel a responsibility to contribute to a better community.

An Assessment of the Social Services System

In the profusion of programs and agencies, it is easy to lose sight of the strengths and achievements of the present social services system in Metropolitan Toronto. Rapid growth, an influx of immigrants, and variable economic conditions have posed formidable challenges to the social services in the past ten years. The system has met these challenges with an expanding range and rising level of service. While it is undeniable that unmet social needs exist, the relatively minor degrees of poverty, bad housing, unemployment, and social unrest in Metro are the envy of many cities of comparable size. Although the energy and independence of the people and the existence of a vigorous private sector have played an important role in this relatively happy state of affairs, the social services provided by all levels of government have made an important contribution to the well-being of this community and of those residents who are temporarily or permanently unable to support themselves.

Another strength of Metro's social services system is the degree to which it attracts volunteer support. It is impossible to estimate the total value of the services

provided in Metro by volunteers, and factors such as the value of personal contacts between volunteers and clients could never be quantified. It has been estimated, however, that volunteers contribute the equivalent of ninety-three full-time staff members in one of Metro's children's aid societies, plus more than \$200,000 in donated goods and services. The private agencies are not the only beneficiaries of strong volunteer support; in 1976, more than six hundred volunteers worked in the homes for the aged and work activity projects operated by the Metro Department of Social Services. Such examples hint at the financial value of voluntary contributions as well as the more intangible human enrichment they involve.

A further strength of the social services system is the extent of cooperation among the various participants. Although there are no formal coordinating mechanisms, and in spite of the complexities in organizational and funding arrangements, numerous local social service agencies have come together to share information and expertise, coordinate their efforts, and develop cooperative programs. One example is the Metro Social Services Department's Project Sixty Plus, the purpose of which is to coordinate and rationalize services to senior citizens by providing a forum where representatives of the many agencies involved in this field can discuss common concerns. Two other examples are the North York Inter-Agency Council and the Lakeshore Area Multi-Purpose Centre in Etobicoke, both of which bring together services provided by government and the volunteer sector with a view to delivering better-integrated services to people in need.

Finally, Metro's social services system has shown a willingness to experiment and change. Many innovations first introduced in Metropolitan Toronto are now accepted elsewhere in Ontario and Canada. Among these are drug and dental assistance for welfare recipients, private home day care, and back-to-school allowances for welfare families.

While these strengths are undeniable, there are several signs that improvements in the social services system are needed. The increasing costs of social services are a primary concern. The Commission estimates that in the period 1968-74, inflation accounted for only half of the increase of the combined health and social services category of local expenditure in Metro. Seventeen per cent of the increase was due to increased volume of service - an escalation that can be expected to decline as population growth slows, assuming there is no drastic deterioration of economic conditions. Fully one-third of the increase was due to an increased level of service. Clearly this is the reason that the social services have been demanding an increasing proportion of public funds.

In the past, increased municipal social service costs have been met through enrichments in federal and provincial funding and the yield of an expanding property tax base. With the assessment growth rate slowing and provincial restraints recently imposed on social services grants, financing future increases is unlikely to be so relatively painless. The time is most auspicious for making any

adjustments that will improve the effectiveness of the services supported by public funds.

There is some reason to suspect that a degree of inefficiency in the use of resources available for social services in Metro arises from the present organizational arrangements. For example, the Metro Social Services Department, the provincial Family Benefits Branch, and the children's aid societies all employ trained social workers who often work with many of the same clients. In some instances the root problem is a low family income, but the resources that are applied to the problem are distorted (and may be wasted) by the limited scope of responsibility and authority of the professionals involved. In other instances children whose needs would be best met in a group home are placed in much more costly institutions because institutional space is available and group home space is not. While some cases of this nature are inevitable, there is a growing recognition that resources should be allocated according to the overall needs of the community, rather than leaving this function to chance.

The effective allocation of resources requires a capacity to assess changing social trends and needs. The present fragmentation of the service structure, the governing legislation and the funding arrangements all frustrate attempts to develop an overview of emerging and declining needs and to adjust resources accordingly. In chapter 16 the Commission proposes changes that will lead to a better understanding of needs in the entire human services sector. In view of the new challenges facing social services in Metro, the proliferation of agencies and programs, and the limitations on financial resources, similar action is required within this sector.

Given the extensive social service responsibilities of the other levels of government, cohesion cannot be brought to the whole system simply by altering the responsibilities and structure of local government in Metropolitan Toronto. But certain changes there could help to resolve the problems. The remainder of this chapter is devoted to the Commission's findings in the following areas:

- responsibilities of local government in Metropolitan Toronto in social services;
- organization of social service responsibilities within the two-tier system;
- responsibility for child welfare; and
- partnership between local government and the voluntary sector.

Social Service Responsibilities of the Metro System

In chapter 16 the Commission outlines the compelling arguments for continuing and strengthening the role of local government in Metropolitan Toronto in the field of human services. These arguments have particular relevance to the social services. Certainly local governments are in the best position to identify needs among their

citizens and to devise means of meeting them with the resources available. Even if local politicians have in the past been rightly charged with needless parsimony in assisting their less fortunate citizens, this can no longer be said of the councillors in Metropolitan Toronto, who have supported a large and comprehensive program of assistance. The Commission believes that the Metro system should have full authority to identify community needs and problems and to take action on them. If this view is accepted, a strong municipal role in the social services is essential.

Support of a strong municipal role does not imply that all such services must be administered and financed by municipalities alone. The extensive cost-sharing arrangements with the other levels of government testify to the major responsibility for social services accepted by those jurisdictions. There will probably always be programs such as the Canada Pension Plan and the Guaranteed Annual Income System that can be most effectively administered at the federal or provincial levels; these are programs that involve regular payments to a defined group of individuals with relatively little need for ancillary services. But apart from programs of that nature, the Commission is convinced that, at least for Metropolitan Toronto, local government should be the level responsible for those social services where personal contact with the client and an effective working relationship with other services are required. For such services, the role of the other levels of government should be to establish a framework of financial support and minimum performance standards within which local services can be administered by local people.

The most glaring anomaly in the present social services system is the separation of the family benefits program (a provincial responsibility) from the general welfare assistance program (a Metropolitan Toronto responsibility). Although ostensibly designed for two distinctly different groups (general welfare assistance for those likely to be in need for a short time and family benefits for those in need of long-term assistance), in practice the relationship between the two is very close.

The point is illustrated by the typical example of a woman with small children whose husband abandons her and who is unable to maintain herself and her family. She would first apply to the municipality for general welfare assistance and go through the interviews and disclosure of financial circumstances necessary to receive support. If after three months her circumstances did not improve she would be eligible to transfer to the family benefits program. She would therefore have to make application to the provincial Family Benefits Branch and undergo essentially the same procedures again. But even when she becomes a beneficiary of the provincial program she cannot count on it for all her financial needs. She might require special assistance or supplementary aid such as a travel or moving allowance or funds to cover the costs of dentures or prosthetic devices for herself or her family, and for these she would have to return to the municipal welfare office to secure assistance. In May of 1976, there were more than five thousand people in Metro receiving help under both family benefits and general welfare assistance in

situations analogous to this. While the confusion, uncertainty, and inconvenience for the recipients that arise from the separation of the two programs is obvious, it also results in ineffective use of professional staff and other public resources.

The integration of these two services is the most beneficial single change that could be made in the delivery of social services in Metropolitan Toronto. Because this type of service requires close continuing contact between the recipient and professional staff, and because of the important links that should be maintained with other locally delivered services such as special assistance and child welfare, the Commission concludes that the integration of family benefits and general welfare assistance should be made at the municipal level.

At present, the total amounts paid out to Metro residents in family benefits and general welfare assistance are about the same, although the latter fluctuates considerably with changes in the unemployment rate. The provincial government (with federal assistance) reimburses Metro for 80 per cent of its general welfare assistance payments and underwrites the full cost of family benefits. If the administration of the two systems were combined and made a municipal responsibility, a new cost-sharing formula could be worked out and amended as necessary under the system of three-year cost-sharing agreements recommended in chapter 10.

Recommendation 19.1: The responsibility for the administration of assistance to Metro residents under The Family Benefits Act be transferred from the provincial government to local government in Metropolitan Toronto and integrated with general welfare assistance.

There may be other provincial social programs which could be more effectively administered at the municipal level in Metropolitan Toronto. It is certain that the present multiplicity of statutes results in many difficulties because of the complexity, the wide variations in service standards and in funding arrangements for closely related programs, and the detailed provisions concerning administration. A detailed review of these statutes is beyond the terms of reference of this Commission, but it is necessary in the interests of improving the effectiveness of the social service system in Metropolitan Toronto.

Recommendation 19.2: The provincial government review its social services legislation with a view to making it more consistent in its support for closely related services and broadening the scope of local government in service delivery.

Social Service Responsibilities in the Two-Tier System

A strong case was made to the Commission for transferring municipal social service responsibilities back to the area municipalities within Metropolitan Toronto. It was suggested that these bodies offer the advantage of sensitive local administration of services, yet are of sufficient size and sophistication to continue the



professional program of assistance now provided by Metropolitan Toronto. Such a transfer would also facilitate cooperation and coordination of social services with the other human services – for example, education, public health, libraries, and recreation – now administered at the area municipality level. Since the provincial government pays 80 per cent of the costs of most municipal social services, there would be a degree of equalization of resources among the area municipalities, and if equity were considered a problem, the remaining 20 per cent could be provided by a Metro-wide financial arrangement similar to that now in place for education.

Welfare Administration

The possible transfer of welfare administration responsibilities must be considered first, since these are by far the largest share of municipal social services expenditures. Further, most of the other social services provided by Metro are closely related to this basic function.

One of the reasons for the transfer of the responsibility for welfare from the area municipalities to the Metro level in 1967 was the concentration of the case-load in the City of Toronto, where many of Metro's low-income people lived. The uneven burden was exacerbated before 1967 by the fact that twelve other area

municipalities then in existence provided less generous assistance and fewer ancillary programs than the City. The result was that on the one hand City taxpayers were burdened with the effects of economic problems that were at least Metro-wide in nature, and on the other there were serious needs in areas that lacked the resources, the expertise, and the inclination to provide adequate services to meet them.

Today about 60 per cent of Metro's welfare cases reside in the City of Toronto and more than half of the recipients of family benefits in Metro live south of St. Clair Avenue or Rathburn Road. In the Commission's view, it would be unfair to burden some municipalities with a disproportionately high welfare population for which they must pay allowances when they have control over neither the economic and social conditions leading to the need for welfare nor the major factors that lead to a concentration of recipients in a particular municipality.

It is possible that financial inequity among the municipalities could be overcome by a system whereby Metro established standards and provided financing for the administration of welfare assistance by the area municipalities. Such an arrangement, however, would create a number of other problems. The jurisdiction administering the service would be relieved of virtually all responsibility for financing it, an arrangement the Commission has found contributes to an unnecessarily high level of expenditures in the field of education.

Whatever equalization arrangements and minimum standards might be worked out, there would certainly be some variations in the level of service within Metro. These might become sufficiently large to encourage people to move to those parts of Metro which offered the best benefits, moves which could result in even greater disparities in the caseloads among area municipalities. Almost certainly there would be higher administrative costs if separate administrations were created, and instances of fraud would be somewhat harder to detect.

Even if all these difficulties could be overcome the Commission would not recommend the transfer of welfare administration to the area municipalities at this time. The reason is that such a transfer would almost certainly jeopardize implementation of the proposal for the integration of family benefits and general welfare assistance. It is important that this integration be carried out smoothly and with no disruption in service, something that would be impossible to ensure if the change were also to involve the transfer of both assistance programs to newly created organizations at the area municipality level. In addition, the Commission's proposals for boundary changes will require considerable effort to work out new service areas and organizations for other services at the area municipality level, and the establishment of new welfare assistance services at the same time would impose severe burdens on area councils and their staff.

Recommendation 19.3: The Metropolitan Council be responsible for the administration of general welfare assistance and family benefits within Metropolitan Toronto.



Other Social Services

There remain for consideration the other supportive services currently provided by the Metro Social Services Department, such as day care, old age homes, and counselling. Many who argue for decentralization would say that it is these services that should be transferred to the area municipalities, since they are the ones that can benefit most from local input, values, and priorities. They can probably also benefit most from close ties with other services provided at the area municipal level such as public health, recreation, and education. These arguments are strong and should be considered carefully.

Unquestionably these services could be provided by units smaller than Metro. Disadvantages might arise – such as a loss of the flexibility in choice of day care locations for a parent who works in one area municipality and lives in another – but most of these could be overcome by contractual arrangements among the municipalities. Although better coordination with other area municipality services would not be automatically achieved, at least one structural obstacle would be removed, and an opportunity would be provided to form a formal human services coordinating mechanism at the area municipality level. The transfer of these responsibilities would be in keeping with the overall Commission objective of giving responsibility for service delivery to the area municipalities wherever possible.

But a number of equally strong points can be made in favour of the continued delivery of these services by Metro. First, the need for many of them is not evenly distributed throughout Metro. The recipients or clientele tend to be in the lowest income groups and are often the same people who are in receipt of income assistance. There is a disproportionate concentration of these people in one or two of the area municipalities; if these municipalities had to provide the local portion of funding, it would impose an unfair burden on them. If funding came from Metro there would undoubtedly be very difficult budget disputes, and because of the almost limitless demand for services of this type, the political pressures exerted in resolving these disputes could well result in a distribution of services that did not correspond to relative need. A single agency such as the present Metro Department of Social Services will ensure greater financial and service equity.

Second, many of the services are directly supportive of the income maintenance function. It is generally expected that recipients of the benefits of day care services, counselling, or work activity projects will thereby be made independent of the need for welfare. Without the incentive of reducing welfare costs the area municipalities would be lacking any long-term financial incentive to provide these other services.

Third, a number of these services are relatively new and have not yet fully matured. They would have a better chance of becoming firmly established on a Metro-wide basis if they remained at the Metro level, where they can be supported

and developed by the expertise of the central department and the financial base of the upper tier.

Fourth, if Metro takes over servicing the family benefits clientele, its welfare caseload will more than double. This will permit (indeed, under current Metro policy, require) the opening of a substantial number of new service offices – perhaps a doubling of the present eleven. Properly used, this expansion could accomplish a great deal in providing community service centres and could help attain the objectives of those who want a more decentralized system able to relate to the neighbourhoods and communities of Metro.

Fifth, a shift in responsibility would result in some diseconomies of scale, and duplication of administrative effort. Overhead costs would be almost certain to increase.

Finally, the Metro Social Services Department has demonstrated that flexibility and innovation can be characteristics of a large organization. A number of Metro initiatives in the income maintenance field have been adopted as policy by the province. As a work activity program, its rehabilitation unit is a model for Ontario and Canada. The department has undertaken a number of special projects, it has worked out arrangements with other public and private organizations for a wide variety of services, such as counselling and meals on wheels, to deal with specific areas of need, and it even has a unit devoted to finding, training, and using volunteers to assist in many facets of its programs. The Commission doubts whether six new organizations could offer greater diversity and flexibility of response to need than this department.

Recommendation 19.4: The present responsibilities of the Metropolitan Council for services ancillary to general welfare administration and family benefits be continued.

Child Welfare

One important facet of the social services system over which municipal government has very little control is child welfare. Under the provisions of The Child Welfare Act children's aid societies are assigned the exclusive public responsibility for the protection and care of neglected children, the protection of children born out of wedlock, and adoption. The authority vested in these societies is considerable; in certain circumstances they have both the power and the responsibility to remove children from their parents.

Children's aid societies have played a significant role in Ontario's social services system for many years. Most began as privately funded organizations staffed by volunteers. But over the years they have increasingly been supported by the public sector until today they are almost totally publicly financed. At the present time, 20 per cent of their operating costs are borne by the municipalities and the

remainder is paid by the province. The proportionate sharing of capital costs varies depending on the purpose of the expenditure. The budgets of Metro's two children's aid societies must first be approved by Metro and then by the Ontario Ministry of Community and Social Services. Should Metro request a budget cut, the provincial share of funding is correspondingly reduced. In the event of a budget disagreement, either the Council or the children's aid society may submit an appeal to the Ministry of Community and Social Services for referral to a child welfare review committee. That committee makes a recommendation to the Minister, whose decision is final.

Between 1968 and 1974 Metro's contribution to the children's aid societies doubled. In 1976 a new agreement increased the provincial contribution to children's aid societies from about 70 to 80 per cent of their expenditures, and Metro's contributions in that year amounted to more than \$6 million.

In recent years, there has been growing concern about the fragmentation in children's services, which are provided by four provincial ministries as well as by children's aid societies, voluntary organizations, group homes, and foster parents. In addition, the courts play a role in determining who will have custody of a child in need of protection or care, and in deciding what is to be done with young people who have broken the law. It is the government's announced intention to bring together in one division of the Ministry of Community and Social Services nearly all the children's services responsibilities of the province. This is likely to be accompanied by measures to improve the coordination of children's services at the local level.

Even if this need for coordination did not exist, there are valid reasons for reconsidering the role and responsibilities of children's aid societies in Metropolitan Toronto. The fact that the preponderance of their funding comes from government raises the question of the accountability of these societies to the taxpayers who provide these funds. The structure and activities of children's aid societies is not subject to the control of locally elected representatives, and Metro Council cannot even determine the amount of money the societies will receive from its treasury. The societies are even more distant from the elected representatives at the provincial level.

In addition, there are – or should be – close relationships between the services provided by the societies and those administered by the Metropolitan Department of Social Services. It is estimated, for example, that 25 per cent of the protection cases of the Children's Aid Society of Metropolitan Toronto are in receipt of income assistance under family benefits or general welfare assistance. And certainly a number of child protection cases arise from the more general problems of families who have low income or inadequate housing or both. Professional staff who deal with these families should be able to marshal as many of the resources of the social service system as is feasible, and not be restricted to attempts to cope with just those aspects of the problem for which their own agency is responsible.

While accountability and integration might be served by abolishing the children's aid societies and transferring their responsibilities to the Metropolitan Social Services Department, this would create a number of problems. These societies have a long history and enjoy substantial support in the community they serve. They attract a remarkable amount of volunteer effort, much of which might be lost if their functions became formally part of government. It is also possible that these societies have a degree of flexibility and expertise needed to respond to some of the unique circumstances that arise in child protection cases, a characteristic that could be lost in the complexity of government administration.

The value of the societies could be preserved and the problems of accountability and coordination resolved through the application of the Commission's general approach to the question of local special purpose bodies. If Metro Council is simultaneously given the responsibility for the function and the authority to discharge that responsibility in the way it thinks best, it could ask the societies to continue providing the service on its behalf and under its authority. The terms of the arrangement could be amended wherever necessary. If this approach is implemented, Metro Council will have ultimate political, administrative, and financial responsibility for the operation of child welfare services in Metropolitan Toronto; it will be able to decide how this responsibility is to be carried out and how it can be useful in securing better coordination and integration of services. Under such an arrangement, there is no need for provincial legislation to make provision for settling budget disputes – the Council would have the authority. At the same time, the Council would be conscious of the financial and other benefits of maintaining the interest and involvement of the many people who now devote so much effort to the provision of child welfare services.

Recommendation 19.5: Responsibility for child welfare services, including the power to create, alter, or abolish children's aid societies, be vested in the Municipality of Metropolitan Toronto.

As part of its efforts to coordinate services in this sector, the provincial government has indicated its intention to establish children's services committees at the local level in communities throughout the province. The Commission welcomes this proposal, which may well provide a means of overcoming a number of problems identified in this chapter. The Metropolitan Council, with responsibility for most social service programs and for the child welfare function, is the logical body to perform this role. With the general power of delegation recommended by the Commission, the Council will be able to establish such ancillary bodies as it deems necessary to provide advice and assistance. In this regard, Metro Council might decide to delegate some of its responsibilities in a manner similar to that suggested for the health planning function proposed for the Council in chapter 18.

Recommendation 19.6: The Metropolitan Council be designated by the Minister of Community and Social Services as the local children's services committee for Metropolitan Toronto.

The Voluntary Sector

It is obvious that a great many social services will continue to be delivered by voluntary agencies, and this is appropriate and economical in the Commission's view. Without the statutory responsibilities of government bodies, they can often be more flexible in their approach to service needs than their public counterparts. It must be noted, however, that such bodies can function most effectively if governments provide a clear and effective system of social services; only then can voluntary agencies identify a meaningful role and then play it, in cooperation with the government bodies which support them.

The Commission's recommendations in this chapter should contribute to the development of such a system by clarifying the responsibilities of provincial and municipal levels of government and focusing responsibility and accountability on locally elected representatives. In addition, the general power of delegation recommended for municipal councils in chapter 6 and the expanded role for Metro Council in the allocation of public funds for community agencies should contribute to the development of a more effective partnership between public and voluntary social service agencies in Metropolitan Toronto.

Recreation, Libraries, and Culture

Several trends in contemporary society combine to create a growing need for formalized recreation facilities and programs, library services, and cultural activities of all kinds. Greater urbanization, general prosperity, educational advancement, increased leisure time, and the influx of immigrants are just some of the contributing factors. While much of this need has been met traditionally by the private and voluntary sectors, publicly supported services have grown rapidly as well. Local governments have played their part. In Metro, local public expenditures on recreation and community services* per household increased by 75 per cent between 1968 and 1974, the period for which the Commission had consolidated financial information. During that period spending in this category averaged about 8 per cent of the Metro system's total expenditures.†

Local facilities and programs in the recreation, cultural, and library fields are highly interrelated and it is quite common for programs in one area to be conducted in close cooperation with those of another. Libraries, for example, offer facilities for certain recreation programs and recreation departments encourage art exhibits and concerts in the parks. These services are also closely associated with the school system and an important trend in recent years has been the growing cooperation in programming and the sharing of resources between the recreation and community service sectors, and the local schools. It is important that this trend continue. The recommended framework for the planning and delivery of all the human services at the local level (chapter 16) should facilitate the achievement of this objective.

Parks and Recreation

There is a two-tier system of parks in Metropolitan Toronto. Under The Municipality of Metro Toronto Act the Metropolitan Council is empowered to acquire parkland both within Metro and in the adjoining regional municipalities of Peel, York, and Durham.‡ The Metropolitan parks system currently comprises 7,800 acres, of which half has been developed as parkland for public use. Much of this land is in the valleys of Metro's rivers and creeks and was acquired initially in connection with the flood control and water conservation program of the Metropolitan Toronto and Region Conservation Authority. The other major component of the Metropolitan parks system is the waterfront park areas. These are acquired and developed by the Metropolitan Toronto and Region Conservation Authority and then turned over

* This category includes parks and recreation facilities and programs, libraries, grants to voluntary, community, and ethnic organizations, and expenditures on zoos, historic sites, museums, theatres, and galleries.

† Excluding expenditures made from the provincial grant for education.

‡ Since the creation of the Metropolitan Toronto and Region Conservation Authority in 1957 Metro has not directly acquired land for regional open space beyond its boundaries.

to be managed by Metro through its Parks Department. When valley land and waterfront park acquisitions are completed in the next fifteen years, about 14,000 acres of regional parkland will be available within Metropolitan Toronto.

Metro parkland is intended to provide an open-space environment for "passive" recreation – personal enjoyment in an unorganized, individual way. Facilities for more "active," or organized, recreational pursuits are considered to be primarily the responsibility of the area municipalities. Metro has provided selected recreational facilities of a regional nature which are used by people from throughout the area. For example, Metro operates five golf courses and is responsible for the Metropolitan Toronto Zoo. Furthermore, it is the participating municipality for the Metropolitan federation in the Metropolitan Toronto and Region Conservation Authority, which acquires and develops land for recreation along the watercourses under its jurisdiction. Metro Council is also responsible for the Toronto Islands, the Canadian National Exhibition, and the Civic Garden Centre at Edwards Gardens.

The area municipalities in Metro are responsible for local parks and for public recreation facilities and programs in their communities. Local councils also make grants to voluntary and community recreation-oriented groups. In 1975 local expenditures for parks and recreation accounted for approximately 17 per cent of area municipality expenditures, excluding education. Local recreation programs are funded almost entirely from local revenues and user fees. Provincial grants available for recreation programs are designed mainly to aid the smaller communities of the province, and money from this source constitutes a very small portion of local recreation budgets in Metropolitan Toronto.

In recent years there has been a marked increase in demand for facilities for such active recreational pursuits as tennis, squash, golf, swimming, and track and field. Increased pressure on existing facilities, both public and private, has prompted a re-examination of Metro's traditional recreational role. A report of the Metropolitan Toronto Planning Department, *Concept and Objectives*, written to elicit public discussion of the goals of the forthcoming Metropolitan official plan, called for an expanded role for Metro Council in the financing, construction, and management of regional recreation facilities. It suggests that Metro would act if, for example, the area municipalities are unable to embark on such initiatives because of a lack of space or financial capability; if a large-scale project, such as the Metropolitan Zoo, can only be built with the financial support of the entire Metropolitan community; or if facilities of unique, regional importance are required, such as Olympic indoor track and field centres, Olympic swimming pools, or major boating facilities.¹

The Commission recognizes that there are now, and will continue to be, selected recreational facilities that are of Metro-wide importance, or that serve the needs and require the financial resources of two or three area municipalities in the Metropolitan federation. But this does not necessarily imply that Metro Council itself should provide more large-scale recreation facilities. In view of the need to tailor



recreation programming to local community requirements, and the important linkages that now exist and should be further encouraged between recreation and other local services such as libraries and schools, it would be best if the direct provision of public recreation facilities and programs remains the exclusive responsibility of the area municipal councils. Metro Council should get involved in recreation projects that are beyond the capabilities of any one area municipality only through capital grant support for construction of such facilities. This arrangement would encourage Metro Council to develop a regional recreation grants policy, which could benefit any area municipal council willing to undertake the

construction of large-scale recreation facilities. If the Commission's recommendations for boundary readjustments are accepted, no area municipality in Metropolitan Toronto will be too small to embark on such initiatives if it so chooses.

Recommendation 20.1: The direct provision of public recreation services continue to be the exclusive responsibility of the area municipal councils, but the Metropolitan Council be empowered to make capital grants in support of the construction of major regional recreational facilities.

Open-Space Provision in the Toronto Region

One of the better-known characteristics of city living is the weekend exodus of residents to the greener spaces beyond the built-up urban area. Public parks and recreational areas should be available for those who do not have access to private facilities. Although there exists a good network of publicly owned parks within Metro, many of the recreation requirements of Metro residents, especially for such activities as hiking, swimming, picnicking, and fishing, are met in the regional parks surrounding Metro, and situated in the regional municipalities of York, Peel, and Durham. These recreational areas have been acquired and developed for the most part by conservation authorities* through programs ancillary to their primary function of flood control and water conservation. In addition to these conservation areas, seven provincial parks are located within seventy miles of Metro, while at a greater distance the 186-million-acre Algonquin Park provides an important natural environment for outdoor recreation for all in southern Ontario.

There is currently no overall policy for regional parks in the Toronto region, nor is there a mechanism through which one could be developed. Several levels of government and several agencies are involved in open-space provision. The province provides provincial parks, and under The Parks Assistance Act may make grants of up to \$100,000 to municipalities acquiring parkland which includes campgrounds or beaches. So limited is this assistance in its application that it has never been used within Metro. The province also significantly subsidizes the land acquisitions and recreation area developments of the conservation authorities, although the extent of financial support for recreation fluctuates and is not tied to an open-space policy. The regional and Metropolitan governments are each charged with the provision of regional parklands and Metro is specifically empowered to acquire land beyond its boundaries for parks purposes. A division of responsibility such as this can only be reasonable if it is also coordinated.

A study of the availability of outdoor recreation areas conducted by the Ministry of Natural Resources in 1972 concluded that there is an inadequate supply

* A description and analysis of the Metropolitan Toronto and Region Conservation Authority is contained in chapter 14. Other conservation authorities in the Toronto region are the Central Lake Ontario, South Lake Simcoe, Credit, Halton, and Hamilton conservation authorities.

of large regional parks in the Toronto region.² This is not surprising; fully 44 per cent of Ontario's people live in this urban region and the acquisition of open space for them is a relatively recent and fluctuating commitment of government. For this reason the provision of open spaces near urban areas is a responsibility that, like housing and transportation, must now be viewed with an interregional perspective, and be tied closely to the interregional planning process.

In chapter 14 the Commission proposes that the recreation-oriented activities of the Metropolitan Toronto and Region Conservation Authority be given to the regional and Metropolitan governments. Thus all lands acquired by the Authority for water management purposes, but which have recreation potential (including lands on the waterfront and all existing conservation areas), would be transferred for development and management to the regional or Metropolitan governments in which they are situated. The operation of existing recreational areas would continue to be financed from admission fees, and capital improvements as well as further acquisitions should still be eligible for provincial financial subsidization. However, provincial funding for acquisition and development, hitherto channelled through the Conservation Authority, would be redirected through the regional or Metropolitan governments concerned. The management of educational and historical sites now operated by the Conservation Authority would also become the responsibility of the regional or Metropolitan governments in which these facilities are located and would continue to be subject to provincial-municipal cost-sharing arrangements. With a general power of delegation, municipal councils will be empowered to make agreements with the Conservation Authority for the operation of any of these facilities, if the councils choose to do so.

With the removal of responsibility for the recreation function from the Conservation Authority, the respective financial contributions of the province and the regional and Metropolitan governments to open-space acquisition and development in the Toronto region will have to be renegotiated. Provincial financial support for open-space acquisition should continue. The fundamental difference will be that the function (open-space acquisition and development) and not the agency (the conservation authority) will be the recipient of such support.

In the past, Metropolitan Toronto has contributed about 90 per cent of the municipal share of open-space acquisitions made through the Conservation Authority. Between 1957 and 1974 more than one-third of Metro's total financial support to the Metro Toronto and Region Conservation Authority for land acquisition, construction, and maintenance was directed to lands outside its boundaries. Some might argue that this level of financial support should continue because Metro residents are the primary users of these facilities. A more straightforward approach would be for each regional government to assume the full local financial responsibility for recreation lands formerly owned by the Conservation Authority. While operating costs of these areas are met for the most part by revenues derived

from fees, the regions surrounding Metro may not have sufficiently strong revenue bases to permit much in the way of further acquisitions. Because interregional open-space expenditures cannot be related entirely to taxpayers within a single municipality, it could be argued that the province should assume a significant part of the financial responsibility for open-space acquisition and development.*

The Toronto Region Coordinating Agency would provide a good forum for the discussion of these options. It would also be an appropriate body to coordinate the development of an open-space policy for the Toronto region.

Recommendation 20.2: All lands with recreation potential acquired by the Metropolitan Toronto and Region Conservation Authority for water management purposes, including existing conservation areas and waterfront lands, be developed and managed by the regional or Metropolitan governments in which they are situated; capital improvements and further acquisitions of recreation areas continue to be eligible for provincial financial support; and the Toronto Region Coordinating Agency be the forum for developing an open-space policy and program of regional recreational land acquisition for the Toronto region.

Libraries

The particular two-tier system of library boards in Metropolitan Toronto is unique in Ontario. Each of the six area municipalities has a library board charged under The Public Libraries Act with developing library policy, supervising library expenditures and generally maintaining and regulating a network of main and branch libraries and library-related services. In 1967, under the provisions of The Municipality of Metropolitan Toronto Act and The Public Libraries Act, the Metropolitan Toronto Library Board was created to provide central reference library services, promote inter-library lending, establish and operate a central service for selection, acquisition and processing of library materials, and provide other coordinating services to the local library systems. Unlike regional library boards elsewhere in the province, which are supported wholly from provincial funds and do not offer direct library services, the Metropolitan Toronto Library Board receives 80 per cent of its revenues from the Metropolitan levy and operates a direct public library service with its own equipment, collections, buildings, and staff.

The Public Libraries Act prescribes that where there is a public library, it must be under the management, regulation, and control of a library board established for that purpose; in urban municipalities with a population of 10,000 or more, such a body must be composed of the mayor or his delegate, three persons appointed by

* The Metropolitan Toronto and Region Conservation Authority estimates that 60 per cent of the visitors to its conservation areas reside within Metropolitan Toronto.

the municipal council, three persons appointed by the public school board, and two persons appointed by the separate school board. By statute, the appointees of these bodies may not be members of any of the school boards or councils entitled to make appointments to the library boards. Council and school board appointees serve three-year terms, while separate school appointees serve two-year terms, all on a staggered basis. The area municipal library boards follow that pattern. The Metropolitan Toronto Library Board is composed of one person appointed by the council of each area municipality, one person appointed by the Metropolitan Toronto School Board, one person appointed by the Metropolitan Separate School Board, and the Chairman of Metro Council or his delegate plus two members appointed by Council. The term of office for all eleven members is three years.

Each of the library boards prepares annual estimates of expenditure and submits them to its council for approval. The councils are empowered to review and amend these estimates.* The major portion of library funding comes from the municipal tax base. In 1974, 80 per cent of the revenues of all of Metro's library boards came from local taxes, and library expenditures accounted for an average of 6 per cent of area municipal spending. The province makes conditional per capita grants annually to both local and upper-tier library boards. The Metropolitan Toronto Library Board and other regional boards also receive a further amount per square mile of territory. In addition, special provincial grants are made from year to year in aid of provincial library programs such as library services to the franco-phone population or production of "talking books" for the handicapped. There are no provincial grants available for capital expenditures.

The Metropolitan Toronto Library Board is a relatively recent innovation and has contributed satisfactorily to coordination and sharing of common services. It has successfully promoted the adoption of a common users' card for all public libraries in Metro, and inter-library loans are now so well organized that a specific transportation system operates for this purpose. The Metro Library Board has built a new Central Reference Library, and has several specialized collections such as the Music Library, the Business and Municipal Reference Libraries, and the Language and Literature Centres. It also provides technical assistance to the local library systems in audio-visual equipment and has published several useful bibliographies. The simultaneous existence of well-established systems in each of the area municipalities has resulted in an overall service that is comprehensive, flexible, and sensitive to variations in community needs. Furthermore, the expansion of traditional library services into such new fields as non-print materials, programs for newcomers and various language groups, exhibits, discussion groups and infor-

* Capital expenditures requiring the issuing of debentures must have the approval of the council and the Ontario Municipal Board. Should the council reject a library board request for borrowing for capital projects, the library board can insist that the matter be put to a vote of the electors qualified to vote on money by-laws.



mal courses requires close cooperation with other local services provided by recreation departments and school boards. This cooperation is facilitated by the current organization of library services.

It could not be claimed, however, that the two-tier arrangement for library services in Metro is without problems. A recent study of public libraries in Ontario³ suggests that there is still a long way to go before optimal cooperation is achieved among Metro's public library systems, especially in the area of automating library procedures. Nevertheless, the fact remains that the cooperation that is essential for the efficient provision of local services in a metropolitan community just cannot be legislated. The Commission's recommendations with respect to boundaries will necessitate some major changes in the library systems, in terms of transfers of both facilities and personnel. The making of those changes may well provide an opportunity to achieve greater compatibility among the various public library systems in Metro.

The Commission received several submissions suggesting that the Metro Library Board not provide direct library services to the community, and that the Central Reference Library be either taken over by the province as a provincial resource, or operated by the City of Toronto on behalf of the Metropolitan community. The Commission does not support these proposals. The Central Reference Library is clearly a municipal resource, developed initially by the City of Toronto and taken over ten years ago by the Metro Library Board. It is the product of

local priorities and determination, and is an excellent example of what can be accomplished by local initiative and mutual commitment. While it does provide some reference service to library systems elsewhere in the province, it is in no way a provincial institution in the same sense as is the Royal Ontario Museum which is located within Metro and completely funded by the province. At the same time, little can be gained by requiring the City to administer the Metropolitan Central Reference Library. This facility requires a good deal of attention, and even if the City were fully compensated for costs, it seems unreasonable to burden one area municipality with extraordinary responsibilities.

Recommendation 20.3: The two-tier system for the provision of library services be retained for Metropolitan Toronto.

The separation of libraries from other municipal responsibilities in Ontario through special purpose library boards dates back to the establishment of tax-supported public libraries under The Free Libraries Act of 1882. Under the early legislation public libraries, while established at the initiative of municipal councils, were to be under the control of independent public library boards, whose membership and term of office, interestingly enough, were the same then as today.

Perhaps this separation made sense at the turn of the century, when most municipalities in Ontario were understaffed rural administrations, and when the accepted role of local government was confined to the provision of physical amenities and local improvements such as roads, bridges, sewers, and water supply. The reliance on single-purpose boards for the administration of public responsibilities was typical of public administration of the day, when certain local functions, especially such human services as public health, education and libraries, were considered inappropriate for handling by local politicians allegedly preoccupied with other matters, and when civic administrations were so rudimentary that the propensity to entrust many public services to "specialists" was perhaps understandable. Such considerations do not apply to contemporary Metropolitan Toronto.

The accountability of library boards to the electorate for the expenditure of public funds can be questioned. Because the elected bodies making appointments to library boards are precluded from appointing one of their members (except for the mayor or his delegate), no elected body can feel genuinely responsible for the quality of service or efficiency of operation of the public library system. This is an inappropriate arrangement for a service that consumes a significant portion of total local spending.

Library boards operate in a field that has close dealings with both education and recreation. While many useful relationships have developed between the staff of libraries on the one hand, and those of school boards and municipal parks and recreation departments on the other, the present system affords little structural incentive for coordination, conflict resolution, and elimination of duplication.



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The Commission therefore proposes that the legislative mandate for library boards be repealed, and that the responsibility for the provision of libraries be vested in the municipal councils of Metropolitan Toronto. How each municipality organizes itself to discharge this new responsibility should be left entirely to local discretion. If the Commission's recommendations in chapter 6 are implemented, municipal councils in Metro, through their general power of delegation, will be able to delegate aspects of this responsibility to existing organizations or to bodies of their own creation. Undoubtedly, the councils will want to continue to recognize the invaluable contributions of private citizens and the important ties with the school system.

Recommendation 20.4: The statutory requirement for library boards, as it pertains to Metropolitan Toronto, be repealed and the responsibility for library services be vested in the municipal councils of Metropolitan Toronto.

Culture

Governments cannot responsibly confine their attention to the physical needs of their citizens; they must also be concerned about the quality of life in the community and see that there are sufficient outlets for cultural development and expression. Governments have been prominent among the patrons of the arts for centuries.

The importance of encouraging widespread cultural activity in a community as large and diverse as Metropolitan Toronto should not be underestimated. Cultural

activities which involve different elements of the community bring those elements closer together. There is no better way to help people get to know and understand one another than through a street concert, or a multi-cultural endeavour like Metro Caravan. The arts, broadly defined, play an increasingly important role in this process.

A recent study⁴ of the arts in major Canadian cities debunks the myth that the arts appeal only to a small, privileged elite. People with high education and incomes, while interested in the arts, do not predominate in the total arts audience. The Ontario Arts Council estimates that more than half the residents in this province participate in some way in the arts and there is every reason to believe the proportion is higher in Metropolitan Toronto if only because of the unusually broad range of cultural activities.

In 1977 the Metropolitan Corporation will contribute more than one million dollars to a range of cultural activities and major arts organizations. It also owns two facilities – the O’Keefe Centre and the Canadian National Exhibition – that are used for cultural activities. In addition, some of its departments have assisted the arts; for example, a number of concerts and art shows held in Metro parks receive financial support from Metro. The area municipalities in varying degrees also contribute financially to cultural events and arts organizations.

This support is proper and should continue. It is also proper that the role of local government in culture and the arts extend beyond the mere funding of cultural organizations. Local government could quite appropriately develop art- and culture-oriented policies for the design and use of civic buildings and property, for preservation of the community’s architectural heritage, and so on.

Local government could play a more influential role in planning for cultural facilities. The Commission was told, for example, that one of the major difficulties faced by the artistic community is finding suitable accommodation. While space can usually be found somewhere, it is often in a building that was not designed with cultural activities in mind. In other instances, available accommodation is not suitably located or is beyond the financial means of all but the major cultural organizations. Problems of this nature could be greatly diminished in the future if the community’s artistic needs were taken into account when future development is planned.

There is no legislation that impedes either the Metropolitan or area municipal governments from playing an important role in cultural activities. The Municipal Act empowers municipalities to make grants in aid of activities in the interests of the community, and The Municipality of Metropolitan Toronto Act contains a similar provision for Metro. The current planning framework for both the Metropolitan and local governments is broad enough to permit cultural objectives to be incorporated as much as is possible in land-use policies. The scope of the planning responsibility proposed in this report will augment that capacity.

Local concern for and policies in support of the arts in Metropolitan Toronto are evolving and reflect the growing ability of the local political process to meet community needs. It is the expectation of the Commission that this public expression will be strengthened by the recommendations contained in this report.

Notes

1. Metropolitan Toronto Planning Department, *Concept and Objectives* (Toronto, May 1976), pp. 167-68.
2. Ministry of Natural Resources, *Towards an Outdoor Recreation Policy for Ontario*, 1972.
3. Albert Bowron, *The Ontario Public Library: Review and Reorganization* (Toronto, December 1975), pp. 103-105.
4. John Housman and Paul Schafer, *The Arts and the Municipalities* (Canadian Conference on the Arts, 1975), p. 7.

Appendices

1. Studies and Publications of the Commission
2. List of Submissions Received by the Commission
3. Schedule of Public Hearings

Appendix 1

List of Studies and Publications of the Commission

Background Reports

1. Smith, Auld and Associates, *The Organization of Local Government in Metropolitan Toronto*.
2. Jarrett, Goold and Elliott, *A Financial Profile of Metropolitan Toronto and its Constituent Municipalities, 1967-1973*.
3. John Bousfield Associates and Comay Planning Consultants Limited, *The Planning Process in Metropolitan Toronto*.
4. T. J. Plunkett, M. J. Powell and P. Milligan, *The Electoral System for Metropolitan Toronto*.
5. N. Cherukupalle Incorporated, *Demographic Trends in Metropolitan Toronto*.
6. Klein and Sears, *The Provision and Conservation of Housing in Metropolitan Toronto*.
7. R. Soberman and J. Pill, *Transportation Organization in Metropolitan Toronto*.
8. James F. MacLaren Limited, *Physical Services, Environmental Protection and Energy Supply in Metropolitan Toronto*.
9. P. S. Ross and Partners, *Public Safety Services in Metropolitan Toronto*.
10. Mary Collins Consultants Limited and Community Social Planning Associates, *Social Policy in Metropolitan Toronto*.
11. M. J. Powell, K. D. Cameron, S. Cohen and W. Steinkrauss, *Political Life in Metropolitan Toronto: A Survey of Municipal Councillors*.
12. K. D. Jaffary and S. M. Makuch, *Local Decision-Making and Administration*.
13. H. Kitchen, *Public Finance in Metropolitan Toronto*.
14. Price Waterhouse Associates, *The Organization of Administrative Support Services in Metropolitan Toronto*.

Other Publications

1. *Update* (December 1975)
2. *Update* (June 1976)

Unpublished Research

1. H. R. Hanson, M. Collins, G. Lowery and D. Martyn, "The Report of the Human Services Project."

2. International Association for Metropolitan Research and Development, "International Experiences of Relevance to Metropolitan Toronto."
3. Jarrett, Goold and Elliott, "Metropolitan Toronto and its Constituent Municipalities, Financial Data for the Years 1967-1975" (an update of the financial profile listed above).

Appendix 2

List of Submissions Received by the Commission

1. Town of Ajax
2. Martin Amber
3. John Andre
4. Annex Ratepayers' Association
5. Association of Boards of Health of Metropolitan Toronto
6. Association of Women Electors
7. John R. Atkin
8. Campbell Atkinson
9. Lewis Auerbach
10. Bathurst Heights Secondary School, Geography Class 53B
11. George Bechtel
12. Hollis E. Beckett, Q.C.
13. Jack Bedder
14. Bedford Park Residents' Association
15. Ronald C. Bentley
16. Joseph Berman
17. Dr. Hans Blumenfeld
18. The Board of Trade of Metropolitan Toronto
19. Professor John Bossons and Professor David W. Nowlan
20. Larry S. Bourne
21. Eric Bow
22. Horace Brown
23. Bureau of Municipal Research
24. Malcolm Cairnduff
25. Eric J. Carlson
26. Canadian Federation of Independent Business
27. Canadian Union of Public Employees, Metropolitan Toronto District Council
28. Catholic Children's Aid Society of Metropolitan Toronto
29. David T. Chamberlain
30. Children's Aid Society of Metropolitan Toronto
31. City Parking (Canada) Limited
32. William R. Code

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33. The Collegiate Community Ratepayers' Association of East York
 34. Communist Party of Canada, Metropolitan Toronto Committee
 35. Community Care Services (Metropolitan Toronto) Inc.
 36. Confederation of Resident and Ratepayer Associations (CORRA)
 37. Convention and Tourist Bureau of Metropolitan Toronto
 38. Wesley A. Corner
 39. Neil A. Craig
 40. Mayor David Crombie and Alderman Arthur Eggleton (City of Toronto)
 41. Ted W. Culp
 42. Noelle De Wolfe
 43. G. Franklin Dean, P. Eng.
 44. Michael Dennis
 45. Clarence C. Downey
 46. Downtown Action
 47. Maude A. Dudman
 48. Edward Dunlop
 49. Borough of East York
 50. East York Board of Education
 51. East York Health Unit
 52. East York Fire Fighters' Association
 53. East York Historical and Arts Board
 54. East York Public Library Board
 55. Alderman Elizabeth Eayrs (City of Toronto)
 56. Borough of Etobicoke
 57. Etobicoke Board of Education
 58. Etobicoke Committee of Adjustment
 59. Etobicoke District Health Council Committee
 60. Etobicoke Federation of Ratepayers' and Residents' Association (EFRRA)
 61. Etobicoke Hydro-Electric Commission
 62. Etobicoke Board of Health
 63. Etobicoke Professional Fire Fighters' Association
 64. Etobicoke Public Library Board
 65. Etobicoke Social Planning Council
 66. Etobicoke Teachers' Federation
 67. Dr. Eugene G. Faludi
 68. Family Service Association of Metropolitan Toronto
 69. Controller E. H. (Pete) Farrow (Borough of Etobicoke)
 70. W. Clare Farrow
 71. Alderman Frank Faubert (Borough of Scarborough)
 72. Federation of Metro Tenants' Associations
 73. Henry Fliess

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74. Alderman John Flowers (Borough of East York)
 75. Forest Hill Residents' Association
 76. James F. Foulds, MPP (Port Arthur)
 77. Professor Edmund P. Fowler
 78. Frederick G. Gardiner, Q.C.
 79. Norman Gaudet
 80. Frederick T. Gerson
 81. Dr. Richard Gilbert
 82. John A. Gillespie
 83. Paul V. Godfrey, P. Eng.
 84. Dave Godley
 85. David Greenspan
 86. Robert E. Hamilton
 87. Professor Dennis C. Hefferon
 88. Norma Henderson
 89. Val Hill
 90. Hospital Council of Metropolitan Toronto
 91. William Hutton
 92. Industrial Cartage Association of Metropolitan Toronto
 93. Alderman Ray Ireland (Borough of East York)
 94. Lois James
 95. Alderman Anne Johnston (City of Toronto)
 96. Glenn Julian
 97. Albert Kain
 98. R. Douglas Kennedy, MPP (Peel South)
 99. Gordon Keyes
 100. Township of King
 101. William King
 102. Councillor Donald Kitchen (Town of Pickering)
 103. Labour Council of Metropolitan Toronto
 104. Leaside Property Owners' Association
 105. Peter Loebel
 106. Norman W. Long
 107. Dr. George J. Luste
 108. Norma MacKenzie
 109. Karl Mallette
 110. Town of Markham
 111. John Martyniuk
 112. Hiram McCallum
 113. Michael McDonald
 114. William A. McLean

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115. Alderman Alex J. McNeil (Borough of Etobicoke)
 116. Metropolitan Coordinating Committee on the Mentally Retarded
 117. Metropolitan Separate School Board
 118. Metropolitan Toronto Airport Review Committee
 119. Metropolitan Toronto Hospital Planning Council
 120. Metropolitan Toronto Library Board
 121. The Metropolitan Toronto and Region Conservation Authority
 122. James R. Mills
 123. City of Mississauga
 124. Marlene Mocchiola and Stephen Longstaff
 125. Hubert M. Morris
 126. Movement for Municipal Reform
 127. Kenneth Mucha
 128. Clark T. Muirhead
 129. National Survival Institute
 130. New Democratic Party, Metropolitan Toronto Coordinating Committee
 131. Alderman Ben Nobleman (Borough of York)
 132. North Jarvis Community Association
 133. North Rosedale Ratepayers' Association
 134. Borough of North York
 135. North York Board of Education
 136. North York Board of Health
 137. North York Fire Fighters' Association
 138. North York Inter-Agency Council
 139. North York Public Library Board
 140. Oak-Vaughan Ratepayers' Association
 141. Alderman Anthony O'Donohue (City of Toronto)
 142. Old Millside Residents' Association
 143. Ontario Arts Council
 144. Ontario Association of Architects, Toronto Chapter
 145. Ontario Motor League, Toronto Club
 146. Ontario Teachers' Federation
 147. Eli Ophek
 148. Frank Oxley
 149. Irving A. Paisley
 150. Parkdale Tenants' Association
 151. The Parking Authority of Toronto
 152. Edmund H. Peachey
 153. Regional Municipality of Peel
 154. Town of Pickering
 155. Dennis Prinold
 156. Nigel H. Richardson

157. Rod Robbie
158. William H. Roberts
159. Kenneth Robinson, MP (Toronto-Lakeshore)
160. Elwyn A. Rogers
161. Ian M. Rogers, Q.C.
162. Roncesvalles-MacDonell Residents' Association
163. Rosebank Residents' Association
164. Ian Roxan
165. Ryerson Polytechnical Institute, Politics Class 015
166. Ryerson Polytechnical Institute, Politics Class 016
167. Alderman Leslie H. Saunders (Borough of East York)
168. Borough of Scarborough
169. Scarborough Board of Education
170. Scarborough Board of Health
171. Scarborough Professional Fire Fighters' Association
172. Scarborough Public Library Board
173. Scarborough Public Utilities Commission
174. School of Economic Science
175. Michael Seiden
176. Senior Inter-Agency Coordinating Council for the Coordinated Mental Health Services for Etobicoke Children and Adolescents
177. Robert C. Shaw
178. J. Siegel
179. David Silcox
180. Controller Bruce Sinclair (Borough of Etobicoke)
181. Alderman David Smith (City of Toronto)
182. Ernest B. Smith
183. Social Planning Council of Metropolitan Toronto
184. South Rosedale Ratepayers' Association
185. Robert Spencer
186. Eric Steier
187. Jini Stolk
188. Bert Stollard
189. Sussex-Ulster Residents' Association
190. William K. Sutton
191. Technical Economists Ltd.
192. Thorncliffe Park Community Organization
193. Thorncrest Development Ltd.
194. Thunder Bay Public Library
195. Raymond R. Tomlinson
196. Toronto Area Archivists Group
197. Toronto Area Industrial Development Board

198. Toronto Board of Education
199. Toronto Board of Health
200. Toronto Historical Board
201. Toronto Hydro-Electric Commission
202. The Toronto Island Residents' Association
203. Toronto Non-Profit Housing Federation
204. Toronto Parking Operators' Association
205. Toronto Real Estate Board
206. Toronto Redevelopment Advisory Council
207. Toronto Transit Commission
208. Dr. Walter Unger
209. Urban Development Institute
210. Alderman Colin Vaughan (City of Toronto)
211. Viking Houses
212. West Kingsway Ratepayers' Association
213. Thomas G. Wilson, P. Eng.
214. Les Winert
215. Peggy Witt
216. Borough of York
217. York Board of Education
218. York Board of Health
219. York Parking Authority
220. York Professional Fire Fighters' Association
221. York County Board of Education
222. Regional Municipality of York
223. York Mills Heights Ratepayers' Association
224. Y.M.C.A. of Metropolitan Toronto
225. Joan Marie Zazinski
226. Zero Population Growth
227. Dr. Barry Zimmerman

Appendix 3

Schedule of Public Hearings

1. May 22, 1975

Dr. Hans Blumenfeld
Alderman Leslie H. Saunders (Borough of East York)
Nelson Clarke, Parkdale Tenants Association
Jack Layton, Ryerson Politics Class 015
Jack Layton, Ryerson Politics Class 016

2. *May 29, 1975*
Etobicoke Professional Fire Fighters' Association
North York Fire Fighters' Association
East York Fire Fighters' Association
Val Hill
Frank Oxley
3. *June 9, 1975*
W. B. Magyar, Technical Economists Ltd.
Dennis Hefferon
Scarborough Board of Education
John R. Atkin
Malcolm Cairnduff
4. *June 17, 1975*
York Professional Fire Fighters' Association
Frederick Gardiner, Q.C.
School of Economic Science
Chris Taylor, Zero Population Growth
John Martyniuk
Martin Amber
5. *June 19, 1975*
Peter Loebel
Scarborough Professional Fire Fighters' Association
Peggy Witt
Etobicoke Federation of Ratepayers' and Residents' Association
6. *June 20, 1975*
The Metropolitan Toronto and Region Conservation Authority
Toronto Island Residents' Association
Dennis Hefferon (conclusion of presentation)
Bureau of Municipal Research
Campbell Atkinson
Robert Spencer
Councillor Donald Kitchen (Town of Pickering)
7. *July 7, 1975*
Eli Ophek
Albert Kain
Leaside Property Owners' Association
Communist Party of Canada, Metro Toronto Committee
George Bechtel

8. *July 8, 1975*
 - New Democratic Party, Metro Toronto Coordinating Committee
 - National Survival Institute
 - Association of Women Electors
 - North Jarvis Community Association
 - Elwyn A. Rogers
 - William Roberts, Swansea Area Ratepayers' Association
 - Ian Roxan

9. *July 15, 1975*
 - Hospital Council of Metropolitan Toronto
 - Ian M. Rogers, Q.C.
 - School of Economic Science
 - Marshall M. Foss, Thorncrest Development Ltd.
 - Alderman Ray Ireland (Borough of East York)
 - Confederation of Resident and Ratepayer Associations (CORRA)
 - Industrial Cartage Association of Metropolitan Toronto

10. *July 16, 1975*
 - Metropolitan Toronto Hospital Planning Council
 - Ontario Association of Architects, Toronto Chapter
 - Professor Edmund P. Fowler
 - The Toronto Non-Profit Housing Federation
 - Downtown Action
 - Annex Ratepayers' Association
 - Labour Council of Metropolitan Toronto

11. *July 17, 1975*
 - Thorncliffe Park Community Organization
 - Clark T. Muirhead
 - Dr. George J. Luste
 - Norma MacKenzie
 - Jack Bedder
 - Old Millside Residents' Association
 - Metropolitan Toronto Airport Review Committee
 - Dennis Prinold

12. *Oct. 8, 1975*
 - North York Inter-Agency Council
 - Family Service Association of Metropolitan Toronto
 - Toronto Hydro Electric Commission
 - Ontario Motor League, Toronto Club

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13. *Oct. 14, 1975*
North York Board of Health
Canadian Union of Public Employees, Metropolitan Toronto
District Council
Town of Pickering
Irving Paisley
 14. *Oct. 21, 1975*
Alderman David Smith (City of Toronto)
Clarence C. Downey
Horace Brown
Scarborough Public Utilities Commission
Etobicoke Board of Health
 15. *Oct. 29, 1975*
Toronto Real Estate Board
Y.M.C.A. of Metropolitan Toronto
Noelle De Wolfe
Toronto Redevelopment Advisory Council
Etobicoke Social Planning Council
 16. *Nov. 3, 1975*
Town of Ajax
York Board of Education
York County Board of Education
Etobicoke Public Library Board
Etobicoke Board of Education
Scarborough Board of Health
 17. *Nov. 4, 1975*
North York Public Library Board
Metropolitan Separate School Board
Ontario Arts Council
Town of Markham
Rosebank Residents' Association
 18. *Nov. 5, 1975*
Borough of North York
Dr. Eugene G. Faludi
Parking Authority of Toronto
Alderman Colin Vaughan (City of Toronto)
Controller G. Bruce Sinclair (Borough of Etobicoke)

19. *Nov. 12, 1975*

The Board of Trade of Metropolitan Toronto
Toronto Parking Operators' Association
City Parking (Canada) Ltd.
Bedford Park Residents' Association
Forest Hill Residents' Association
Thomas G. Wilson, P. Eng.

20. *Dec. 8, 1975*

Borough of East York
Metropolitan Toronto Library Board
Ontario Teachers' Federation
Marlene Mocchiola and Stephen Longstaff
Regional Municipality of York

21. *Dec. 10, 1975*

Borough of York
City of Mississauga
Children's Aid Society of Metropolitan Toronto
Urban Development Institute
Karl Mallette

22. *Dec. 11, 1975*

Borough of Etobicoke

23. *Dec. 18, 1975*

Borough of Scarborough
Alderman Frank Faubert (Borough of Scarborough)

24. *Dec. 19, 1975*

Toronto Historical Board
Norman W. Long
Township of King
Toronto Board of Health
Alderman Anne Johnston (City of Toronto)

25. *Jan. 26, 1976*

Dr. Walter Unger
East York Board of Education
Alderman Elizabeth Eayrs (City of Toronto)
Dr. Richard Gilbert
Viking Houses

North Rosedale Ratepayers' Association
 Social Planning Council of Metropolitan Toronto
 David Silcox

26. *Jan. 27, 1976*

Movement for Municipal Reform
 Senior Inter-Agency Coordinating Council for the Coordinated
 Mental Health Services for Etobicoke Children and Adolescents
 Toronto Transit Commission
 William Hutton
 Edward Dunlop
 Toronto Board of Education

27. *Jan. 29, 1976*

Canadian Federation of Independent Business
 Alderman Anthony O'Donohue (City of Toronto)
 Alderman Ben Nobleman (Borough of York)
 Paul V. Godfrey, P. Eng.

Photos courtesy of:

Kenneth Cameron, Convention and Tourist Bureau of Metropolitan Toronto, Construction and Safety Association of Ontario, Borough of East York, Borough of Etobicoke Community Health Department, Metropolitan Toronto Department of Social Services, Metropolitan Toronto Library Board, Metropolitan Toronto Planning Department, Metropolitan Toronto Police Department, Metropolitan Toronto and Region Conservation Authority, Borough of North York, North York Board of Education, Ontario Ministry of Industry and Tourism, Borough of Scarborough, Toronto Fire Department, Toronto Harbour Commission, and Borough of York



